

THE NATION'S BUSINESS

April



1924

Price-fixing, No Economic Cure-all

By GEORGE E. ROBERTS, Vice-President, National City Bank

The Case for the Railroads

By SAMUEL REA, President, Pennsylvania Railroad System

Business Too Busy to Vote!

By REX B. GOODCELL, Collector of Internal Revenue, Los Angeles, Calif.

The High Cost of Too Much Business

By HARRY TIPPER

Immigration as We Face It Today

Taxes That Choke Trade Channels

By JULIUS H. BARNES, President, Chamber of Commerce of the United States



Published by the Chamber of Commerce of the United States

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Gautschoy Silk Dyeing Co., Paterson, N. J.

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Name.....

Address..... (N.B. APR.)





Painted for A. R. Co. by Tony Satz. © ARCO, 1924

Suppose your cook-stove spoiled one-third of your food!

YOU would get rid of it in a jiffy. The cost of the wasted food would quickly equal the cost of a good stove. Keeping the old one would be the most short-sighted economy.

Yet you may be making a mistake in your cellar which you would never make in your kitchen. For if you have an old-fashioned heater, it is probably wasting at least one-third of your coal.

Coal is high; a one-third saving is quite an item; over a period of years it would pay for a modern boiler several times.

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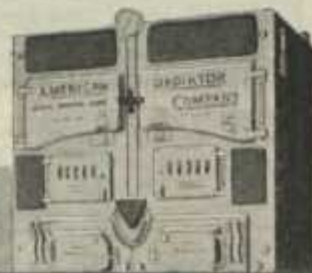
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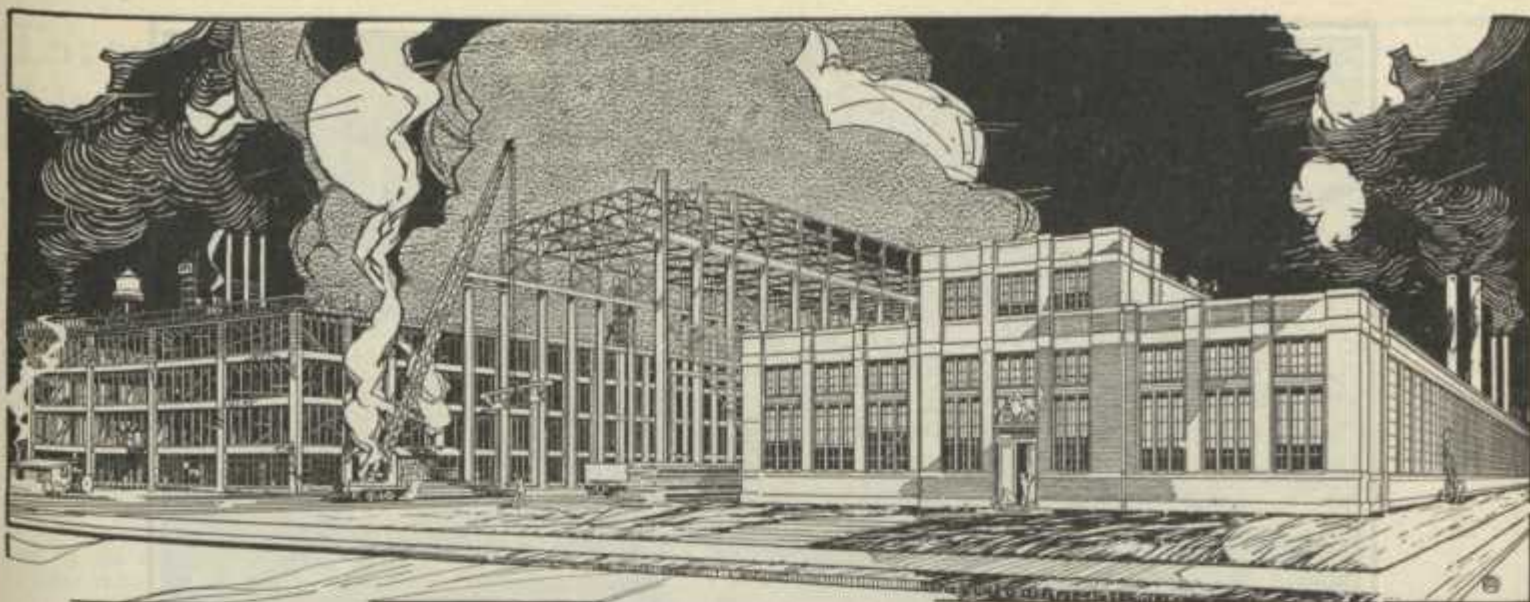


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Ideal 79-Inch for
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This illustration shows how the Austin Method of Progressive Construction can deliver some of your plant units weeks in advance—whether special or standard. The completed building at the right is an Austin No. 10 Standard Building, cross-section of which is shown below.

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WITH a big, complicated building project, you naturally think first of Austin—for no other firm is so well qualified by experience and performance to execute the work in record time, to your whole satisfaction.

With a more simple building program, you still turn to Austin as a matter of course: for Austin has the essential materials already fabricated and in stock, ready for immediate delivery and erection.

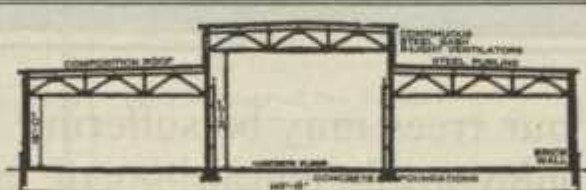
And Austin has the coast-to-coast organization and the trained men ready to go into action almost overnight on projects of any size—great or small, complicated or simple, no matter of what nature or where located.

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livery date, cost, and quality, enable you to schedule advance production with confidence and precision.

Whatever your *location*; whatever your *line of manufacture*; whatever your *building*

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Austin will build 60,000 sq. ft. of this building, with concrete foundations, brick walls, and complete structure designed for 15-ton traveling crane, in 60 working days, for a lump sum price.

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We are interested in a _____ building. Approximate size _____ x _____ stories high. Please tell us more about Austin Buildings and send us a copy of your circular, "Austin Unit Responsibility Guarantees Results."

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Individuals _____

Address _____

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Reproduction from a painting of the estate of Wm. H. Vanderbilt, Newport, R. I., by Sigurd Sana

Your trees may be suffering from the unfavorable conditions of last year

THE long and excessively dry period of last summer did serious damage to many trees. Some of your trees may have dropped their leaves prematurely; on others the leaves may have turned brown and curled up. Some trees started to die back at the top; on many others the leaves turned to a sickly yellow—indicating a reduced vitality.

The heavy freezing in the late spring of 1923 killed many trees outright; on many others it sprung the bark and left open wounds to decay. In still other cases the tender growing tissues were injured and the growth stunted.

The tree is a living thing—it is just a big plant. Its food must be taken largely from the soil; it requires above everything abundant water. Anything which injures a tree sufficiently to reduce its vitality makes it much more susceptible to disease. Ill health in trees is just as dangerous as it is in every other form of life—it is very often a mere preliminary to death.

Davey Tree Surgeons are very much more than mechanical experts; they are trained in the science of tree life. Some trees are too far gone to be saved, but countless thousands of valuable trees can be saved by these master Tree Surgeons—if not neglected until it is too late.

Let Davey Tree Surgeons examine your trees carefully without cost or obligation on your part. Davey Tree Surgeons live and work regularly in your vicinity—any place between Boston and Kansas City, or in California. Write or wire nearest office.

THE DAVEY TREE EXPERT CO., Inc., 105 City Bank Bldg., Kent, Ohio

Branch offices with telephone connections: New York, Astor Trust Bldg., Fifth Ave. and 42nd St.; Boston, Massachusetts Trust Bldg.; Philadelphia, Land Title Bldg.; Baltimore, American Bldg.; Pittsburgh, 331 Fourth Ave.; Buffalo, 110 Franklin Street; Cleveland, Hippodrome Bldg.; Detroit, General Motors Bldg.; Cincinnati, Mercantile Library Bldg.; Chicago, Westminster Bldg.; St. Louis, Arcade Bldg.; Kansas City, Scurritt Bldg.; San Francisco, Hobart Bldg.; Montreal, 251 LaSalle Street, West.

Among prominent persons and institutions served by Davey Tree Surgeons are the following:

JAMES OLIVER CURWOOD
FRED STONE
PHILLIPS EXETER ACAD-
EMY
FRESH MEADOW COUN-
TRY CLUB
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PANY
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THOS. H. INCE
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H. H. TIMKEN
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JOHN DAVEY
Father of Tree Surgery
Reg. U. S. Pat. Off.

DAVEY TREE SURGEONS

Every real Davey Tree Surgeon is in the employ of The Davey Tree Expert Co., Inc., and the public is cautioned against those falsely representing themselves. An agreement made with the Davey Company and not with an individual is certain evidence of genuineness. Protect yourself from impostors. If anyone solicits the care of your trees who is not directly in our employ, and claims to be a Davey man, write headquarters for his record. Save yourself from loss and your trees from harm.

When writing to THE DAVEY TREE EXPERT COMPANY please mention the Nation's Business

Through the Editor's Spectacles

JUST a year ago we chronicled in this space the fact that THE NATION'S BUSINESS had 100,000 subscribers—a goodly number of readers for a magazine dedicated to the “dismal science” of economics. The announcement brought several congratulatory letters. We published one of them in which the writer observed that the “average business man” was a little above the average and had a real interest in economics when the subject was handled in a practical and timely manner as one business man talking to another.

In twelve months, 50,000 more American business executives have joined the family of NATION'S BUSINESS readers, and when you pick up the next number you will be one of 150,000 subscribers.

WE SET out for our first 25,000 with no little trepidation. There was before us a fear born of the fact that no journal with a purely economic background had ever gathered to itself more than 10,000 readers. Publisher friends, most of them, said it could not be done. “The business man isn't a reader,” they said, “he gets his business ideas through his skin; when he reads he reads for relaxation. He'll talk taxation, and distribution, and production, and selling, and finance at the luncheon table, but he won't look for it in print.” Other friends encouraged us in those early days, pointing out that if the written page carried the spirit and freedom of table-talk, that if we could transcribe the worth-while discussion of business executives on timely subjects, a great audience would gather, just as a great audience has been found for a magazine which makes the science of geography popular and interesting.

NOW, there are magazines and magazines. The last Ayers' directory lists some 2,000; but those that command national attention are few. Few, because successful magazines are both born and made; born of some great national interest or need, and made by the study of that interest and the satisfaction of that need.

The *Atlantic Monthly* voiced New England's culture in a period which produced Emerson, Whittier, Lowell, and Hawthorne. The *Saturday Evening Post* found everyday, work-a-day America eager for information in a form that was easy to assimilate, coupled with fiction that was readable and clean, and that reflected the America that every man knew. The *Literary Digest* found an America eager to know what the world was talking about and thinking about in the fields of politics, foreign affairs, science, religion and literature, and it answered that cry for knowledge. *System* swept in on a wave of business office efficiency, and is playing its part in our national life. *Cosmopolitan* published the novel social ideas of Ibsen, Maeterlinck, Galsworthy, and Shaw for a Robert W. Chambers audience of a million and a half.

So, as we planned the first numbers of THE NATION'S BUSINESS, we, too, found a new impulse abroad in the land, the impulse of business men to pool their problems, to join hands in making a better industrial America. A little group had already begun to think in terms of American Nationals, just as the world had come to think of French Nationals or British Nationals. As a matter of fact we were simply following in the footsteps of older

In This Number

	PAGE
Where Business Stands.....	13
The Fallacy of Price-Fixing.....By GEORGE E. ROBERTS.....	14
Plain talk about proposals for agricultural relief, by a banker who knows the farmer.	
History Laughs at Price-Fixing.....By JULIUS H. BARNES.....	16
From Rome to Russia there runs a record of failures.	
Business, a Slacker at the Polls.....By REX B. GOODCELL.....	19
If you won't bother to vote, can you complain if legislation doesn't please you?	
The Case for the Railroads.....By SAMUEL REA.....	20
The President of the Pennsylvania gives matter-of-fact answers to straight questions.	
The Fun I've Had in Business.....By CHARLES R. FLINT.....	22
A second chapter of a life of adventure in trade here and abroad.	
The High Cost of Too Much Business.....By HARRY TIPPER.....	25
The little more that runs up distribution costs.	
What Markets Can the Farmer Expand?...By O. M. KILE.....	27
The factory prospects of our agricultural products.	
Georgia Rolls Up Her Sleeves.....By MERLE THORPE.....	29
A first-hand view of another section of our new South.	
Business and Senator Underwood.....By JOHN CALLAN O'LAUGHLIN..	32
Our relation to Europe and her markets frankly set forth.	
Ayres, Who Figures for the U. S.....By FRED C. KELLY.....	34
A character study of a banker-economist with an unusual background.	
Editorials.....	36
The Map of the Nation's Business.....By FRANK GREENE.....	38
Keeping Your Retail Trade at Home.....By WILFORD L. WHITE.....	40
How the small-city merchant meets a real danger.	
The Expense of Government Economy.....By CARLETON THOMAS.....	44
Economy is exalted, but why not tell the whole truth?	
Why That Pullman Surcharge?.....By E. L. BEVINGTON.....	48
The reason for one of those “little bills” we all have—and hate—to pay.	
The Mystery of the Surtax.....By JULIUS H. BARNES.....	51
A clear exposition of why high taxes on large incomes cost us all too much.	
The Immigration Question Up to Date.....By a MEMBER OF THE STAFF.....	54
Just where we stand and what is the next move.	
The New Home of the United States Chamber.....	58
The Supreme Court and Business.....	60
Light Breaks Through in Germany.....By BASH MILES.....	64
An experienced observer gives a surprising account of that country.	
Better Banking for the Farmer.....By A. C. WIPRUD.....	66
Listening In on Congress.....	70
News of Organized Business.....	74
Trade Paper Digest.....	82
Government Aids to Business.....	90
Chips from the Editor's Work Bench.....	96
Recent Federal Trade Cases.....	100
Some Recent Books on Business.....	105
Human Nature in Business.....By FRED C. KELLY.....	108

Vol. 12

THE NATION'S BUSINESS

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.

No. 4



A manufacturer—serving only one state—saves \$9,048⁰⁰ a year by using Pioneer Boxes

OVER a year ago a meat packer—serving only one state—became interested in Pioneer Wire-bound Boxes. A trial order was placed for one carload. For the past year all their products have been shipped in Pioneers—ranging up to 300 pounds capacity.

Formerly this company bought shooks and assembled their own boxes.

The total savings made in 1923 due to the use of Pioneer Boxes amounted to \$9,048.00.

The initial cost was somewhat lower on Pioneers. The box weight was reduced nearly one-half. The cost of assembling boxes was reduced eighty per cent.

These three items saved \$9,048.00. In addition, the Pioneers are loaded with 5% more merchandise. They withstand cold storage without weakening. Save cooler and freezer space. Are stronger than ordinary nailed boxes.

This is an instance of the great savings made by a manufacturer serving only one state. Those manufacturers who serve a wide territory will find far greater savings.

Our Engineers will be glad to design a Pioneer box or crate for your individual needs and tell you exactly how much you can save. It will cost you nothing to find out. A post card will have our immediate attention.

Write for "General Box Service"—a booklet of information on better boxing and crating methods.

GENERAL BOX COMPANY

504 N. Dearborn Street, Chicago, Illinois

SIXTEEN FACTORIES GIVE YOU CLOSE AT HAND SERVICE:

Bogalusa, La.	Detroit, Mich.	Illmo, Mo.	New Orleans, La.
Brewton, Ala.	East St. Louis, Ill.	Kansas City, Mo.	Pearl River, La.
Brooklyn, N. Y.	Hattiesburg, Miss.	Louisville, Ky.	Sheboygan, Wis.
Cincinnati, Ohio	Houston, Tex.	Nashville, Tenn.	Winchendon, Mass.

nations in the development of their industrial life. Students have pointed out four stages: first, individual competition; second, sectional competition; third, organization by industries; fourth, a national feeling for business, often expressed through national organization. This has been the history of Holland, Italy, Spain, France, Germany, and England. The United States had passed through the first three, and found itself more firmly entrenched in the third, with its 700 organized trade associations, than any other country. It was, as I have said, emerging into the fourth. War accelerated this development, and THE NATION'S BUSINESS swung into the limelight advocating this understanding of business in its national phase.

A new impulse in national life brings many changes. And so the business man found new interests coloring his thoughts, plans, conversation, and his personal and business relations. THE NATION'S BUSINESS set about to interpret this impulse and to provide information on these national subjects that concern men with responsibility for the direction of important business enterprises. It was fortunate, indeed, in having as its sponsor, or to be more exact, in being a part of, the National Chamber, itself a child of this new development of business America.

IN ONE of those early numbers we published our editorial confession of faith. We re-affirm it here.

To ENCOURAGE a national viewpoint for American business, breaking down provincialism;

To stimulate at the same time community development;

To advocate foreign trade as a natural and necessary growth, making stable our domestic trade;

To emphasize the value of organization or team-work in business.

To SERVE American business by furnishing: A perspective of the world's commercial activities and their interpretation;

A clearing-house of new ideas in organized business;

An intelligent report on current relations of government and business.

To TEMPER all with a serene belief in the idealism of American business; to find in business the romance and enthusiasm which each man finds in his business; to be human in the way that business is to business men.

And in that faith THE NATION'S BUSINESS strives to express the sanity, the integrity, and the stability of American business.

EASY as falling off a log is Mr. Thomas H. Maxwell's plan for a bonus to ex-soldiers. In a letter to us he berates THE NATION'S BUSINESS for opposing bonus legislation and says that the soldiers should have \$10,000 cash each and that the sum should and could be paid out of the incomes of such men as Mellon, Rockefeller, Ford, Vanderlip, et cetera. Four million men at \$10,000 each would mean a paltry sum of \$40,000,000,000.00, according to our figuring. Messrs. Mellon, Rockefeller, et al, in order to produce that income at 6 per cent, would have to have the further paltry sum of \$666,666,666.666.66, or slightly less than the total wealth of the solar system. Otherwise the plan has merit.

LONG ago the author of Ecclesiastes said, "There is no new thing under the sun." Comes to prove it Chung-Yu Wang, consulting engineer of Hankow, who writes a research narrative for the Engineering Foundation in which he credits the Chinese with the invention of a compass about 1122 B. C.;



The Spirit of The Hive

*The Real Test of Leadership
—and the Aim of
Every Executive*

Where the Spirit of the Hive prevails, the efforts of every individual are centered on increased and improved production. To foster that spirit in an organization is the supreme test of leadership.

If every worker in your plant could come into daily association with you,—work beside you,—share your ideals for the achievement of corporate success, the cultivation of such a spirit would be an easy matter. But you haven't the time to know all your men. Department heads and foremen come between. And in the humdrum of a routine which holds him to the performance of one operation, your workman is apt to lose sight of the underlying principles which make for success. He may forget that he has an important part in your business.

There is a plan by which you can transmit to every fellow-workman the principles which are guiding you to success. It is a practical plan of Industrial Education which is now maintaining the Spirit of the Hive in more than ten thousand organizations, the result of years of research into the problem of Industrial Relations.

“The Workmen of the Temple”—

is the title of a treatise which analyzes the situation and tells in detail of the plan. It is a readable, optimistic, and convincing treatment of the problem which confronts every executive in industry today, and it offers a happy and tested solution for that problem. If you are an executive, a request on your business letterhead, giving the approximate number of your employees, will bring it to you, postpaid and without obligation.

The Stevens-Davis Co.

Business Analysis—Successful Selling—Industrial Harmony

1230 to 1236 W. Jackson Blvd.

Chicago, Ill.

Other Executives Have Said:

From a Manufacturer

Philadelphia, Jan. 22, 1924

Stevens-Davis Co.

We have just finished up the year in supplying the "Service Talks" to our employees and a week ago issued the questionnaire for them to sign if they desired these Talks again.

We are pleased to state that 75% of our employees wish to have these "Talks" again and an order was given to your representative to have you send them to us for the coming year.

POLLOCK-HUSTON CO.

From a Department Store

Spokane, Wash., July 18, 1923

Stevens-Davis Co.

Please be advised that at the expiration of our contract for pay envelope cards as had, we desire to continue the service.

We are particularly anxious at this time to curtail our overhead, but this is the one thing that we feel would be unprofitable to eliminate.

WHITEHOUSE COMPANY

By C. E. Alexander
President

From a Lumber Company

Duluth, Minn., Dec. 19, 1923

Stevens-Davis Co.

We have had a talk with our men relative to continuing with the Success Talks for the next year. They all seem very enthusiastic and take a great deal of pride in keeping their books up, and with few exceptions we find that they have a complete set of the "Talks."

We have also noticed a great improvement in the efficiency of our men and cannot help but believe that these "Talks" have a great deal to do with it. We are, therefore, planning to continue on with the "Talks" for next year.

ENDION LUMBER COMPANY
W. P. Helmreich, Jr.

From a Manufacturer

Philadelphia, Pa., Dec. 11, 1923

Stevens-Davis Co.

Writer just returned from a Southern trip and learned to his regret that your representative had been calling on us and received a negative reply. It was a misunderstanding. As we are interested in taking up this proposition for our employees we wired you an per enclosed copy and trust that the time will not be too short in providing these Talks so they are in our possession by December 22.

STEEL HEDDLE MFG. CO.
J. Kaufman
Sec'y and Gen. Mgr.

From an Insurance Company

Des Moines, Iowa, March 3, 1923

Stevens-Davis Co.

For practically a year now we have been using your Success Talks. We have just renewed our order for another year and believe this is money well spent. The Talks are very helpful and our employees seem to appreciate them very much, and we believe they are promoting efficiency in our office.

BANKERS ACCIDENT INSURANCE COMPANY
J. A. Kiser
Secretary

From a Bank

Chicago, February 24, 1924

The Stevens-Davis Co.

Gentlemen:—We have found your Success Talks inspiring and helpful to our organization. The messages contain helpful thoughts for any one in any position.

Very truly yours,
MERCANTILE TRUST & SAVINGS BANK
H. N. Gunt, President

*With the Spirit
of the Hive
there is no
Industrial
Unrest*

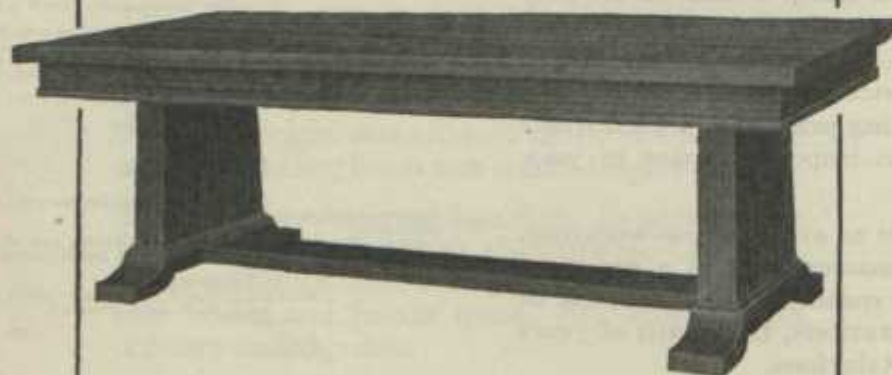


In offices toward
which the eyes of the
financial world are
turned daily, business
is transacted over

SAMSON

OFFICE AND DIRECTORS' TABLES

Over 200,000 in use in Industry



A Samson Table that Reflects Your Business Standing

Here is one of 27 distinctive Samson styles, which include a table for every business use, in 150 sizes. Your office outfitter can show you Samson tables in Walnut, Mahogany or Oak—built up to a standard developed in thirty years of fine table building. We'll gladly send you a catalog and some interesting observations on the trend in office furnishing.

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with making paper from tree fibers and rags in the early part of the first century; with printing from stereotyped wooden plates as early as 593 A. D., and with manufacturing glass in the early part of the second century.

About the same time Hwa To, a surgeon, was using hashish as an anaesthetic for operations. Further says Chung-Yu Wang (is he Mr. Wang or Mr. Chung-Yu?) the Rockefeller Institute has just rediscovered what Chinese doctors long knew. Two scientists have obtained from toads a secretion named Bufin, which has an action on the heart like digitalis. The Chinese have been using it as a heart remedy for centuries. And the laughter at Chinese doctors practicing on the credulity of patients by prescribing dried toads may lessen.

Nor need we limit ourselves to one authority. In the wake of the Engineering Foundation's narrative comes a volume, "City Growth and Values," by Stanley L. McMichael and Robert F. Bingham, in which we found this sentence:

Chain-store merchandising is said to have started first in China, some 200 years before Christ, when a Chinese merchant, Lo Koss, is reported to have established a number of stores at different points throughout the Celestial Empire.

AND WHILE we are talking of things that are not new under the sun, what of national scandals? Has every one, in the mess of charges and rumors about the naval oil leases, forgotten that the nation has gone through such things before?

What of the Credit Mobilier of 1872 and 1873? The Vice-President, the Speaker, Senators and Representatives by the dozen, were accused of bribe-taking. The country was going to the devil. Who could doubt it? It didn't go. The expulsion of a Senator was recommended but not accomplished, and two Representatives were censured. It is interesting to read the International Encyclopedia:

The scandal caused intense excitement throughout the country, and the Mobilier Company met with almost universal execration; but subsequent investigation has shown that the charges were greatly exaggerated and were at least never conclusively proved.

Who recalls the "Star Route Frauds," which involved among others a Senator and an Assistant Postmaster General?

Not even national scandals are new under the sun.

AFTER "thinking pretty hard as to whether THE NATION'S BUSINESS would be of practical assistance in our service," the librarian of the Elizabeth (N. J.) Public Library sends along his subscription.

AMERICA'S idealism is examined and appraised by Otto H. Kahn in an address before the New York Drama League. Some manifestations of our idealism seem tawdry to him, some irritating, some pathetic, but "some of them are splendid, and, whatever the mode of expression, the thing itself is very deep and fine, very genuine and full of promise." Of his own faith in the essential quality of that idealism he said:

I believe it to be a fact that no great and lasting success is possible in America for any man who does not possess and exemplify in some form that national trait of idealism, in whatever way it may express itself. I believe that is true even in business; and I am reminded of the occasion when, upon leaving the office of that great railroad man and financier, the late Edward H. Harriman, in company with a gentleman from Europe, the latter turned to me and said:

"Why, that man is a great poet; only, he rhymes in rails."

In that inspired measure of Mr. Harriman is a sympathetic understanding of the realities from which the groping soul must choose for its expression on this earth. It is a man's sincerity and depth of vision that make him a poet. But all poetry is not embodied in mere metrical arrangements of words—a noble building may hold as much of idealism as noble verse.

PRAISE from Sir Hubert himself comes from Dr. George W. Hinman, writing in the Hearst papers, that "no business man can afford in these days to be without the information which the article ('Russia Ended Socialism for Me') conveys. Every business man should read it, study it, and digest it." Mr. Hinman, in the course of a column review, says that he has read all the reports from Russia he could lay hands on in the last six years and he "has seen no other report like this. It is unique."

APROPOS Dr. Hinman's critique the best use of the article we have heard of is reported by an official in a Chicago manufacturing company.

I want to tell you how forcibly the Rubin article struck me. We have four men working here who are known to hold very strong socialistic views. I passed along this number of THE NATION'S BUSINESS to them. One of them told me this morning when he returned the magazine to me that he was pretty well satisfied that the thing was not to be thought of in this country and that he would hate to see the thing tried here. Why not get this out in pamphlet form and distribute it in all large industrial plants?

THAT "excellent journal of the National Chamber, THE NATION'S BUSINESS," says that excellent daily newspaper, the *Boston Transcript*.

MANY are the letters of appreciation of the opportunity afforded our readers to obtain a copy in full colors of the Maxfield Parrish "Spirit of Transportation," first brought out in this magazine. A typical expression is this from Mr. R. H. Whiting, president of the B. F. Marsh Company, Worcester:

Referring to your recent offer to the subscribers to THE NATION'S BUSINESS, in connection with the Maxfield Parrish picture, we are enclosing \$12 for two copies of the same. The writer has one in his private office, and it is so beautiful that we desire to give these two to business friends.

IS THE scientist a sufferer at the hands of the business man? Does the buccaneer of business seize the product of the chemist's brain and then make the discoverer walk the plank? Or, to put it more gently, is the division of profits between the man of affairs and the man of learning uneven? That is the indictment which a university professor of science brings against business men.

There is a widespread feeling that there is unfairness. Every manufacturing community is familiar with this:

"That's Soandso. Worth 'bout three million. Know how he got it? Feller in his shop invented the machine that puts the air in auto tires, an' ol' Soandso stole the idea. Feller that ought to have the money's over on the poor farm."

C. F. Burgess, of the Burgess laboratories, discussed the subject more seriously in a recent number of *Industrial and Engineering Chemistry*. Prof. Burgess does not think the situation one-sided, as do some of his col-

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Our faith in the ability of the *R-W 925 Trolley* to meet your most exacting requirements leads us to make this offer. Tell us your requirements and we'll send a *Trolley* of suitable capacity. Put it to the test of actual working conditions. If this free trial fails to come up to your expectations, send the *Trolley* back at our expense. That will end the matter.

Do you know how many men are required to move a heavy load with your present overhead conveying equipment? If more than one is necessary, you are encouraging a needless waste of time and money. For it is now recognized that, with the proper type of trolley, the work can actually be done better by one man working alone. This was proved conclusively by a recent competitive test of the *R-W 925 Ball-Bearing I-Beam Trolley*.

The test was made not only for weight-carrying capacity, but for the easy starting and conveying of heavy loads. A one-ton weight was used. One widely-known competitive trolley required a pull of 200 pounds to start the load. The *R-W 925 Trolley* was started with its one-ton load by the pull exerted by a man's little finger—approximately a 30-pound pull!

The *R-W 925 Trolley* is made in seven capacities ranging from $\frac{1}{4}$ -ton to 4-tons. All are described in Catalog P-23, a copy of which will be sent to any manufacturer on request.

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Ball-Bearing I-Beam Trolley

All problems pertaining to the adoption of overhead conveying methods in your plant can easily be solved for you by our Engineering Department. Their experience covers installations for practically every line of business. Their advice and the preparation of plans will not place you under any expense or obligation, and is yours for the asking.

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Came Home and Stepped into a Lawsuit

JASON expected to be in Europe only a week or two, but business kept him there two months.

While he was gone, a problem arose in the management of the Hapgood estate, calling for his decision as executor. He decided by cable, without full knowledge of the facts. The estate lost money, and the Hapgood heirs brought suit against him, charging mismanagement. Virtually, Jason went from the steamer to the courtroom. He was found legally responsible, and had to make the loss good out of his own pocket.

Men often step into estate management without realizing the responsibilities assumed and the exacting work involved. They give permission to friends to name them as executors in wills, and forget the matter, until suddenly called upon to act. Executorship requires business judgment of the highest order, close attention to numerous details, accurate accounting, expert knowledge of investments, and many other qualifications.

It has been found, by experience extending over more than one hundred years, that this is work for an institution, the trust company, rather

than an individual, because it has continuous life, and the collective experience and knowledge of its officers and directors is wider than the individual possesses.

Mismanagement of an estate may be unintentional, as in the case of Jason. Through lack of knowledge the individual executor may make wrong investments, hold securities when they should be sold, overlook some important detail of routine business, make a decision that causes loss.

A little-known fact: An individual executor can, at any time, by rendering an accounting and asking consent of court, turn these responsibilities over to a trust company.

Ask a Trust Company



for a copy of an interesting free booklet entitled "Safeguarding Your Family's Future." It discusses wills and trusts, the duties of an executor and trustee, and the advantages of trust company service. The booklet may also be obtained by writing to the address below.

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leagues; and he recognizes that business takes a knowledge and a training peculiar to itself. To ambitious scientists who would market their own discoveries he sounds this warning:

To the man trained in academic research who contemplates the establishment of a business enterprise, a word, and, in fact, several words, of caution may be offered. He will find the various state legislatures pass 26,000 or more laws every two years and that many of these involve compliance on his part. He will find that the laxity in ventilating facilities, appliances for safety and methods of fire prevention found in university laboratories is not permitted in industrial plants. Inspectors of various kinds, clothed with governmental authority, will call upon him at frequent intervals to tell him just what he must and must not do. Commercial credit houses will ask him to furnish a detailed financial report and proofs that he is willing and able to pay his debts. No matter what his own confidence may be in the success of his undertaking, his banker will tell him that he considers him a purely speculative risk and must continue to do so until he has established a seasoned industry with demonstrated ability to pay dividends over a period of years.

The opportunities for getting into litigation are boundless, and legal expenses become an unavoidable part of his overhead expense. The blue-sky department may try to prove he is less prosperous than he thinks he is, and the income tax auditors may assert that he is more prosperous than he claims to be. If incidents such as these can be met by the chemist as patiently and cheerfully as he meets the problems involved in laboratory research, the chances for pleasure and profit from his business are excellent.

A DOUBLE-BARRELED compliment comes our way from Mr. Ed K. Collett, of Fort Worth, Tex., who says we "not only contain much valuable information but compile it in a most interesting manner." And just to add emphasis to his words he encloses a check for a second subscription "for my personal use, as the other copy comes to the firm, and I do not want to miss a copy."

"**SPLENDID** reading," writes Mr. Vernon T. Cooke, of Strasburg, Colo. "And there is in the articles so much common sense—an unusual feature in most that one gets to read nowadays."

A MANUFACTURER, just back from Europe—and who is not?—dropped in the other day and left these two. In France he asked a telephone official why the old coffee-mill grinder was still in service instead of the modern "flash" on the keyboard. The Frenchman replied that they had the modern appliance but kept the crank on the telephone box for a real purpose. "The Frenchman," he said, "is highly excitable and needs a safety-valve when he uses the telephone. We let him turn the crank. It helps him to keep calm while he is getting his number—and doesn't bother anybody because it is not connected."

Our friend had noted there were more American radiators shipped to Italy the last few years than furnaces to supply them. He investigated. An Italian told him the influx of American tourists caused it. "You see," he said, "our inn-keepers set up the radiators unconnected in the rooms. A prospective Yankee guest inspects the inn. When he sees the radiator, he shouts 'It's modern! Here's steam heat!' and settles down for a comfortable week. And he generally has a comfortable week, despite the fact there is no furnace in the basement, only a stage radiator in the room."

As Maurice Ketten would say, Can you beat it?

M.T.

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CHAMBER of COMMERCE of the United States of America

Mills Building



Washington, D. C.

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The experience of the John Deere Harvester works, East Moline, Illinois, offers a good example of Brownhoist trouble-free operation, combined

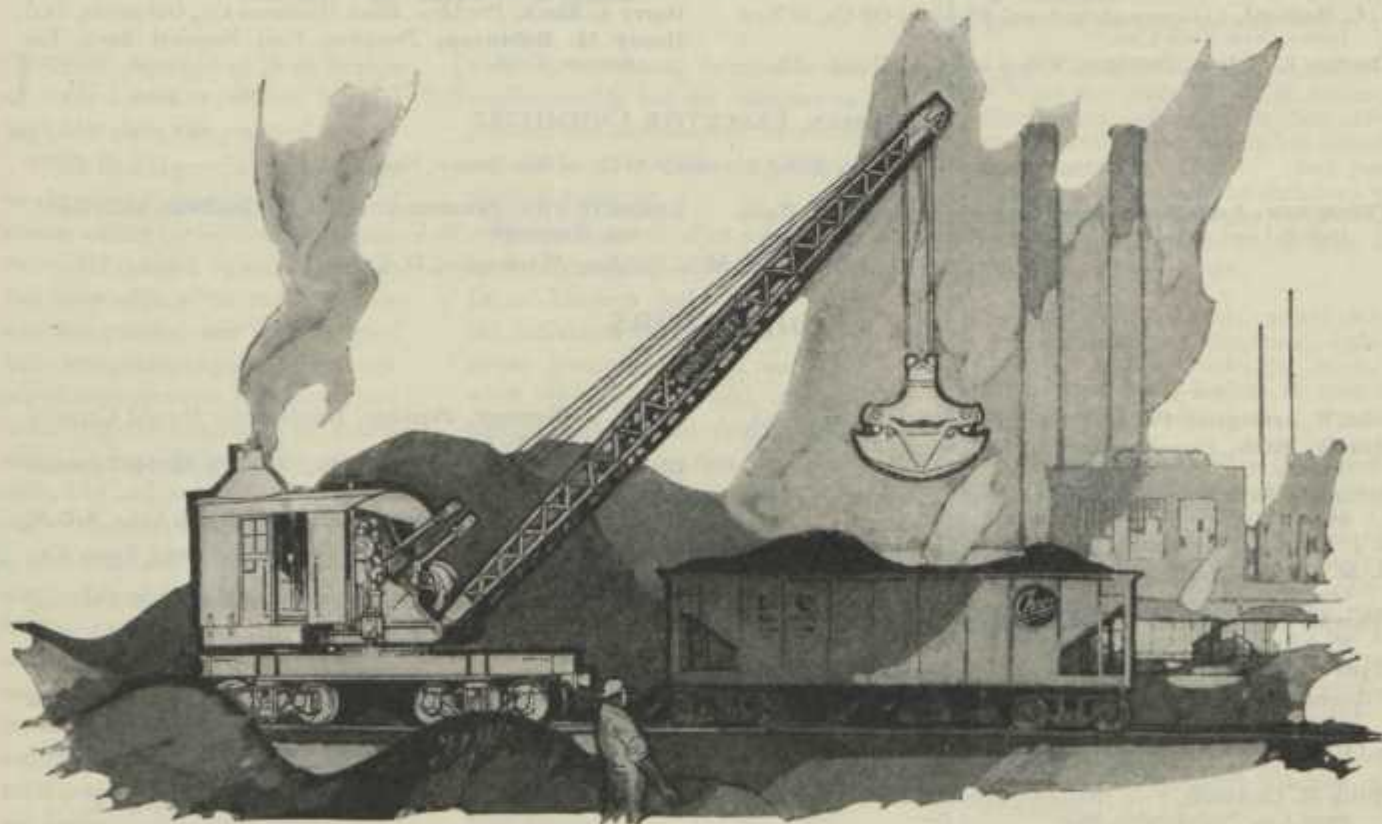
with large direct savings. They say:

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BROWNHOIST

M A T E R I A L H A N D L I N G E Q U I P M E N T

Where Business Stands

WE HAVE had weeks of legislative investigation. Some of it has been inspired by an honest determination to preserve the standards of public trust on which self-government rests. Some of it has been inspired by a cheap love of gossip and a regrettable partisanship which seeks political advantage. The actual findings have disclosed so few deviations from high standards in government and in business that there is new encouragement and ample justification for continued confidence in both.

America today is a great laboratory in which democracy is under test. With American restlessness, and yet with American resourcefulness, we are engaged in an endeavor to make secure individual opinion and private conviction in representative government.

We desire this security without breaking our legislative bodies into groups, and cliques, and blocs, which defeat continuity of administration. That way danger lies.

In five countries of Europe today free peoples have turned from such conditions to self-imposed dictatorships for relief.

The cornerstone of free government is public confidence in officials. Not only government but business also is on trial today before the court of public opinion, and the great body of business, large and small, accepts the issue and submits its cause with confidence to the court of public opinion.

A people which has created in 140 years three times the wealth that all the world had piled up in previous centuries,

grew indifferent to ruthless methods of daring and energetic leaders. But that pioneering period has passed, and has been succeeded by a new era of appreciation of public service by scrupulous decency of method, and restrained use of power and influence.

The very growth of large-scale business with its vastness of market, in which buyers and sellers never actually meet, requires honor and integrity in character of goods and fairness and dependability in price and methods.

An Exchange of Letters

MY DEAR Mr. President:

The Board of Directors of the United States Chamber of Commerce, in session today, has instructed me to express to you its unqualified commendation of your firm stand on matters now under investigation by committees of Congress.

Unrelenting prosecution of the guilty, prompt and inexorable, without fear or favor, is vital. Likewise vital is the protection of the innocent from hysterical judgment, based on inflamed emotion or unfounded rumors, and formed prior to a determination of fact by orderly process.

The issues involved, as you wisely state, transcend all politics. The proper solution is essential to continued confidence in popular government.

We pledge our support and cooperation in your determination to sift these matters to the bottom. This course of action is strictly in accord with the sentiment of American business represented by the Chamber with its underlying membership of 750,000 business men.

We express our confidence that these matters will be dealt with adequately and impartially.

Yours truly,

(Signed) JULIUS H. BARNES.

MY DEAR Mr. Barnes:

Your letter of the 14th instant just received, informing me of the attitude of the Board of Directors of the United States Chamber of Commerce, brings me cheer and encouragement. I am glad to know of the vigorous endorsement and determination to support the administration's efforts. I have been greatly pleased to observe the many evidences which come here, indicating that the attitude of the Chamber of Commerce very accurately reflects that of public opinion generally.

Most sincerely yours,

(Signed) CALVIN COOLIDGE.

DESPITE an occasional throw-back there will grow added public confidence, because in this vast structure of industry there has been so little deviation from the high ideals which business has set for itself.

Who among us looking back doubts that the ethics of both politics and business today are distinctly higher than they were a generation ago?

America, with its public schools, its newspapers, its magazines, its quickened communication by telegraph, telephone and radio, possesses a high intelligence which can separate truth from slander, and strike the balance between proven good and whispered evil. American fair play will not be long misled.

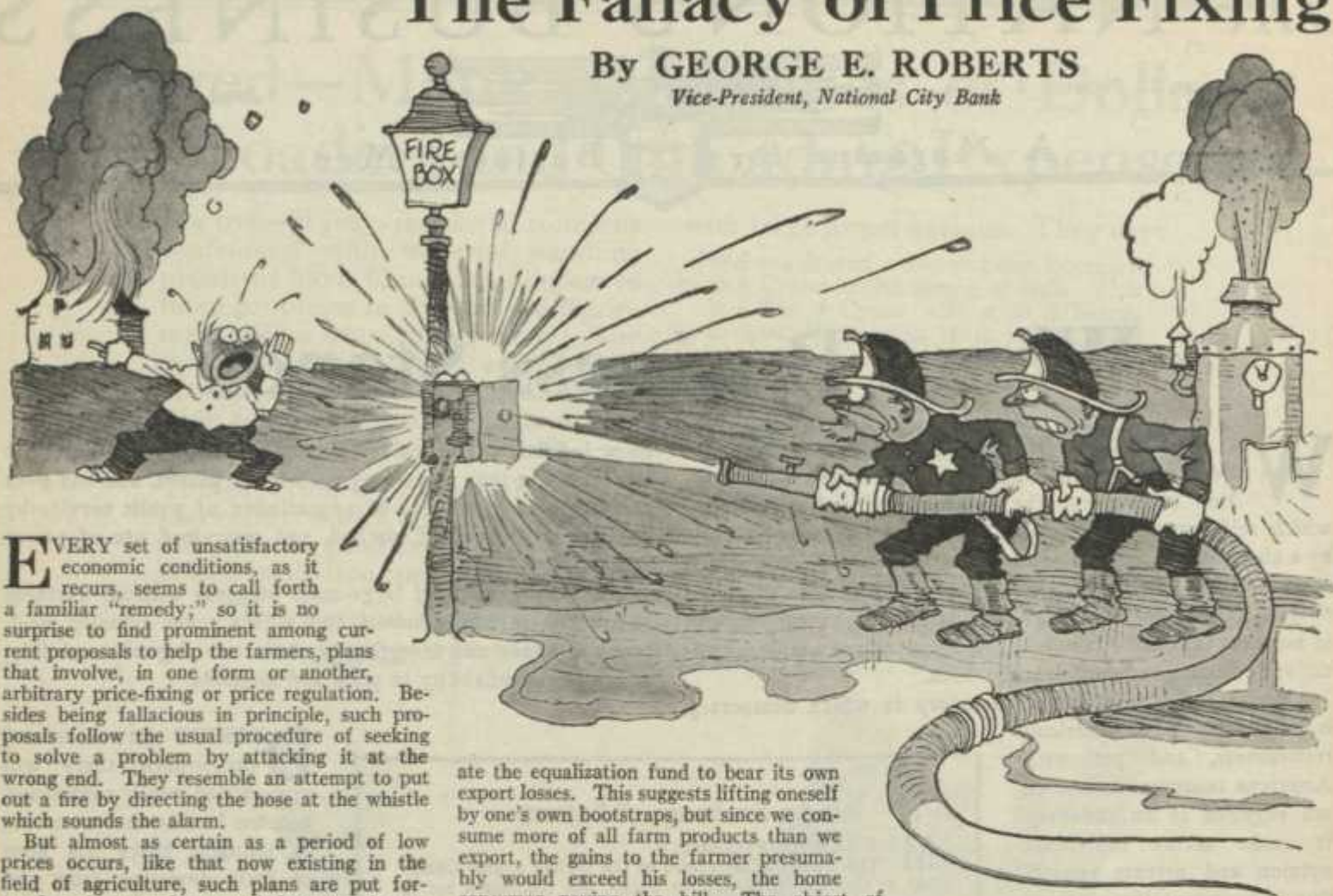
America confused, hesitant, and depressed today is in itself proof that, consciously or unconsciously, we have come to set a high standard for government and for business.

And after all, the few exceptions which develop prove that our faith is sound.

The Fallacy of Price Fixing

By GEORGE E. ROBERTS

Vice-President, National City Bank



EVERY set of unsatisfactory economic conditions, as it recurs, seems to call forth a familiar "remedy," so it is no surprise to find prominent among current proposals to help the farmers, plans that involve, in one form or another, arbitrary price-fixing or price regulation. Besides being fallacious in principle, such proposals follow the usual procedure of seeking to solve a problem by attacking it at the wrong end. They resemble an attempt to put out a fire by directing the hose at the whistle which sounds the alarm.

But almost as certain as a period of low prices occurs, like that now existing in the field of agriculture, such plans are put forward and seriously argued by men in responsible positions, and an old battle with economic fallacy must be fought over again.

One such plan now before the country is represented by the McNary bill, said to have the approval of the Secretary of Agriculture.

Old Folly in New Form

THIS plan undertakes to establish the prices of all farm products at the ratio which existed between them and the general price level before the war, and to maintain the ratio until the emergency no longer exists or until the expiration of the term named, which is ten years, unless extended. The price tables of the Bureau of Labor, Washington, D. C., are to be the basis for computing the ratio.

The bill contains elaborate provisions for the purpose of making the home market for agricultural products independent of foreign markets, if possible, and high enough to maintain the desired ratio with other commodities. The Tariff Commission or the Secretary of Agriculture is to conduct the necessary investigations to determine what rates of customs duty are required to keep out competitive commodities, and when these duties have been put into effect an Export Commission is to buy whatever surplus there may be of any agricultural product and sell it in foreign markets, accepting whatever losses may be necessary, the principal aim being to create a sufficient scarcity in the home market to raise prices to the desired ratio level.

Finally, an "equalization fund" is to be created against which the losses on exports will be charged, by levying taxes on the products sold for consumption in the home market. A separate account is to be kept with each commodity, and each commodity made to cre-

ate the equalization fund to bear its own export losses. This suggests lifting oneself by one's own bootstraps, but since we consume more of all farm products than we export, the gains to the farmer presumably would exceed his losses, the home consumer paying the bill. The object of the plan is to give relief to the farmers, particularly the wheat growers, from prices said to be below production costs. If the plan is successful to such a degree that wheat production is continued at the present rate, we shall be virtually subsidizing the supply to foreign consumers.

Advocates of the plan argue that it will not encourage surplus production because the sale of the surplus will tend to lower the foreign price, and thus indirectly lower the domestic price as well, but the scheme is too complicated for anybody to know what the net effects would be. It is clear that the less wheat we export under the plan the better, but it is not clear that our exports would be reduced. The plan confessedly would be a failure if it did not advance prices, and this is the influence which would count for most with the individual producer.

Entails Many Complications

IT DOES not appear what would be the status of farm products which are now bringing more than the pre-war ratio price. Cotton is above it, as a result of the boll-weevil depredations, which have very much increased the cost of production. What would be the equalized price for cotton under present conditions? This illustrates the complications in which the proposition is involved. Wool is well above the pre-war ratio; will the wool growers accept a reduction of tariff rates to restore the equilibrium?

The plan would almost certainly involve this country in retaliatory legislation by foreign countries, for the policy of selling surplus products in foreign markets at prices below those prevailing at home is thoroughly

in disfavor everywhere. The British Dominions would especially resent such sales of competitive products in the British market, and press more strenuously than ever for discriminatory duties on competitive products from without the empire.

Moreover, the whole scheme of maintaining a given ratio in the markets between different kinds of products by artificial means is visionary and fantastic. If by means of this scheme the general cost of living should be perceptibly increased, there would be nothing to prevent demands for wage increases to cover them, and no reason to doubt that they would be forthcoming. The whole scheme illustrates a dream of what might be done to put oneself in better relations with other people, provided they would sit still and let you do it.

It may be argued that conditions in the wheat-producing territory are so serious that the country could afford to make an appropriation to aid in tiding the farmers over the emergency while they readjust their operations upon a new basis. What reason is there, however, for thinking that the McNary Bill would tide them over any readjustment? It is intended to make wheat-growing profitable, and its natural effect will be to maintain wheat production, in the face of unfavorable competitive conditions, and despite the fact that so much wheat is not needed.

The fundamental objection to the measure, however, is that it disregards the function of prices as a regulator of production. No one can study the effects of prices, even where the prices are unsatisfactory, without perceiving that they are the controlling influence

in production, and that to propose their regulation is to take hold of the situation at the wrong end.

Current prices are the indicators by which the population distributes itself among the industries, according to the demand expressed for products or services. When the demand for any product is less than the supply being produced, prices weaken, diverting productive effort into other channels. On the other hand, when the demand exceeds the supply and scarcity threatens, prices rise, stimulating productive effort in that field.

Changes in price also shift consumption, acting as automatic indicators which reflect consumers' desires and wants; as such they are to be interpreted and obeyed as promptly as possible, and to attempt to regulate them as they destroy their purpose as an indicator. The right price for a product is that at which supply and demand meet, so that the market is cleared and demands are effectively satisfied.

The entire price system is interrelated; an individual's purchases of different things are affected by their relative prices, and his aggregate purchases are affected by the prices of what he, himself, has to sell. It is a highly complex system, in which changes in the volume of production and in the methods of production are forcing price changes all the time. It is too complicated a system to be managed arbitrarily; it must work freely and automatically in order to make the adjustments that are constantly necessary to maintain the equilibrium. Imagine a man trying to walk a tight rope with a balancing pole; how far would he get if his arms were strapped tightly to his body?

Prices usually are performing an economic and useful function at the very times when they are most complained of. The real disorder is in the relation between supply and demand, and the prices, if let alone, will correct that disorder.

That this is true is illustrated by the present situation in corn and hogs, cotton and cattle, and it is shown in the record of wheat since the beginning of the war. The cutting off of Russian wheat supplies threatened scarcity to western Europe; prices advanced as a signal to producers elsewhere for more wheat. The increase was obtained from numerous countries, two of whom, Argentina and Canada, are now producing more than at any time in the past. Canada alone has increased her production by more than the total pre-war exports of Russia, and now Russia is exporting again. The price of wheat now falls—a signal to producers that not so much wheat is required.

The relation between corn and hogs has been reversed. During 1921-1922 corn was more plentiful than hogs, and the latter relatively high, with the result that hogs came to market well finished, while now with corn worth relatively more than pork, the hogs are sold at lighter weights, and the price average suffers by the lower quality. Receipts of hogs at sixty-seven central markets in 1922 aggregated 44,067,489 and in 1923, 55,329,843, or an increase of approximately 25 per cent; and for the seven largest markets in the middle west which have most influence in making prices, the increase was 30 per cent. The 1923 receipts were about 21 per cent over those of 1918, the largest previous year, with exports to Europe at a maximum. The farmers deplore the fact that prices declined under this rush of receipts, but it was the lower prices that

broadened the demand and made possible the consumption of this increased quantity.

In their effort to market their corn in the form of hogs, the producers overdid the multiplication of the latter. There is no use of producing more hogs than there is corn to feed them, or than markets will absorb, and nobody but the farmer can adjust the relations. It is largely an experimental task, but that the farmers are at work on it is shown by the government estimate of January 1, 1924, which makes the number of hogs on farms at that date about 3,000,000 less than at the beginning of 1923.

High-priced corn in the past year has had an effect upon the quality of cattle coming to market similar to that upon hogs. Producers do not like to feed to a finish under such conditions, and prices suffer with quality. Beef cattle are estimated by the Department of Agriculture 1,677,000 less in number than one year ago, and dairy cattle nearly 238,000 head more. This illustrates how prices set in motion the changes required to correct an unbalanced situation.

Prices Act as Corrective

ON THE other hand, if there is a short crop of something, rising prices have the effect of compensating the producer in some degree for his loss in quantity, and at the same time exert an influence among consumers for more economy in consumption, encouraging them to use substitutes, and thus make the supply go farther. We have an illustration of that situation this year in the short crop of cotton. As a result of the depredations of the boll-weevil, the country has had three very short crops of cotton, stocks have been reduced and there is not enough cotton available this year for the usual production of cotton cloth.

As a result, the prices of cotton and of cotton goods have advanced, and this is right because it compels a necessary curtailment

of consumption and at the same time affords necessary encouragement to the cotton grower to maintain and if possible increase production in the face of unfavorable conditions.

I read the other day an article by a member of Congress in which he said that all other lines of business were organized and able to maintain the prices of their products, and that the farmer must organize in order to obtain the same advantages. His premises are mistaken. The steel industry is most frequently mentioned as an example of the industries highly organized and having control over prices. The price tables of the Bureau of Labor are based upon monthly prices of 404 commodities, divided into nine groups. For convenience in comparison, the price changes are calculated in index numbers which represent percentages of the 1913 prices of the same commodities, which are reckoned as 100.

The lowest average price for all these commodities in any calendar year since the war, was the year 1921, in which the index number for the average of the 404 commodities was 147. In that year the index number of the Farm Products group was 124, and for the Metals and Metal Products group 129. The lowest point touched by the Metals and Metal Products group, however, was in 1922, when the index number was 122, and the Farm Products number was 133. The Metals and Metal Products group includes copper, lead, zinc, and silver, but in the main is made up of the principal iron and steel products.

Copper is produced for the most part by large companies, which have been rather closely associated through selling agencies. The copper companies have been referred to as an example of producers who are able to control the prices of their products, but the fact is that, with the exception of several months last spring, copper has been selling since 1920 below the average prices of 1913. It is selling below that now. The price today is under 13 cents per pound, and the average in 1913 was above 15 cents. A lot of copper companies are either shut down or producing at a loss at this time, but the low-cost companies are producing enough to supply the market, just as the low-cost producers of wheat in Canada are making the price for wheat.

The fundamental objection to arbitrary price fixing is that it disturbs the relations between the values of different products and deranges the system by which production is adjusted to suit consumptive demands. Price fixing, to be successful, must be accompanied by regulation of production, thus artificially bringing supply and demand together, but that is impractical on a large scale.

Neither the Government nor the officials of a farmers' organization can say what activities any individual farmer can most profitably follow. They are not qualified to name the farmers who should turn from wheat to corn or other crops.

That may depend upon the character of the farm, its location, the farmer's equipment, his family help, his financial circumstances, etc. It is proper for the Government to gather information bearing upon probable crops and market conditions, but the individual farmer must use his individual judgment in directing his operations. And since the Government cannot regulate production, it is in no position to assume responsibility for prices.



Expert Diviner
Forecasting Next
Year's Wheat Crop

History Laughs at Price-Fixing

By JULIUS H. BARNES

THE DEATH of President Wilson brought vividly to my mind an incident which I feel that I am now free to relate and which throws an interesting light on the present proposal to fix by law the prices of farm products.

When the armistice of the fall of 1918 ended active warfare, America faced the problem of redeeming the national pledge of a guaranteed price to the producers of the coming wheat crop of 1919. Determined to redeem its pledged faith to the American farmer, Congress did not hesitate to appropriate a billion dollars and to authorize the use of the accumulated capital of the Food Administration Grain Corporation, of which I was then president, making a sum available from the national treasury of almost \$1,250,000,000 for the redemption of that pledge.

President Wilson cabled from Paris asking if I would accept the office of Wheat Director, would ask my old associates in the Grain Corporation after two years of national war service under the Food Administration, to remain another year in peace-time administration, in order to make sure the entire fulfillment of this pledge.

I accepted the post of Wheat Director with the specific stipulation that I should be responsible directly to the President, and up to the time when he was stricken ill, I bear my grateful acknowledgment of the most sympathetic consideration and encouragement.

Almost from the very day when the office became effective, and with the realization that there was ready access to the national treasury, theorists began to urge a process of deflation by a government bread policy, paid for from the national purse. With a speciousness no greater than accompanies some of the policies urged today in the national Congress, there was advanced the theory that a subsidized and artificially low price of bread would, by its influence, bring down the prices of all other commodities in an accompanying scale.

Here was to be staged a great acceleration of the process of declining prices, following war's inflation; this on the theory that meats and foods, clothing and shoes, steel and copper, furniture and building materials, wages and salaries, would all fall in healthy uniformity if only cheap bread were secured by national appropriation.

There was a wave of the hand for any suggestion that even if the principle of subsidy of food could be accepted at all, other commodities might not follow; that at the end of the subsidy year, the termination of artificial deflation might leave disparities worse than at the beginning; that if it did not work out as theorists forecast, there would be precipitated great distress and disaster upon numberless individuals, especially those who must sell their produce on a deflated market and continue to buy their necessities at war-inflated prices.

None of the theorists seemed to figure that the individual who found his resources sapped by a process of unequal deflation which rose from natural laws, would face that situation with courage and resolution; but that, if that

process came about by the arbitrary injection of government influence into the play of natural forces, then there would be lasting and bitter resentment and antagonism towards Government itself.

I refused to embark with national treasury funds upon any such sea of wind-blown theory. The pressure became at last so insistent that the question was appealed to President Wilson, and I shall ever recall with grateful appreciation the firmness and decision with which he declined to launch the Federal Government upon any such course of disastrous paternalism.

Today, as always, there are those who would use the supreme authority of Government in an effort to shortcut the natural elimination of inequalities, always present in every human social structure—always there are those who will recklessly use treasure raised by the taxing power of Government to attempt the quick and easy correction of disparities which inevitably correct themselves if left to the play of natural forces.

History mocks us again and again with the repetition of old problems in new forms, and blind enthusiasts and theorists repeatedly have recourse to law and edict against the repeated lessons of history that law and edict are futile against the vast economic tides that inevitably overwhelm them.

Sixteen hundred years ago the Emperor Diocletian, with all the authority of the then World Empire, attempted to fix, in supposedly fair relation, the intricate processes of society. Vested with absolute authority, he forced his conception of the proper relation of prices, and of the scale which he proclaimed. It is interesting as showing what elimination of old disparities was suggested as the ideal relation of that far-off day.

Diocletian perfected his commodity index with a care and detail which the American Congress today could hardly hope to excel. The record is preserved of hundreds of articles on which the price was fixed, in its relation to all commodities and to earning power. Its infinite exactness is shown, for instance, by the prescribed wage scale of a "watcher of clothes in the public baths," who was to get the equivalent of nine-tenths of a cent per patron. A barber was also to get nine-tenths of a cent per patron. There is no wage scale given for a manicure, but a "veterinary for cutting and straightening hoofs per animal," was to get two and one-half cents.

There was government control of transportation, and the tariff provided that "transportation, one person one mile," was to be nine-tenths of a cent. And to show how restrictive this was on transportation agencies, it was also prescribed that "rent for laden ass, per mile," was to be 1.8 cents, showing that unless the transportation agency carried more than two persons there was no chance for obtaining earnings against invested capital.

Diocletian appreciated the value of the legal profession of that day, and his commodity index prescribed the equivalent of \$1.09 to "an advocate or counsel for presenting a case;" and then, with a shrewd insight into human nature the commodity index allows a premium of \$4.53 "for finishing a case." Legal retainers in these recent days have certainly passed the commodity index ratio of sixteen hundred years ago.

The day's wage of unskilled labor was about eleven cents per day, and this was the equivalent of a pound of butter, two pounds of second-quality fish, or one pound of "sea fish with sharp spines." The skilled laborer was to get the equivalent of twenty-two cents per day, and with two days of such labor could have purchased a pair of shoes.

Silk stockings for the wife and daughter were beyond his reach, for "white silk per pound" was the equivalent of two hundred and forty days' wages, while even "coarse linen thread, first quality, per pound" would have taken nearly fifteen days' skilled labor.

What if it had been possible in those days for a Roman emperor or a national congress to fix the unchanging relation of commodity value and buying power! The most casual study suggests the desolating social injury which would follow a fixed value relation of that kind. Certainly American homes would not possess, as they do today, the wide range of necessities, comforts and conveniences which have developed into general use.

Now history records that after some months of trial it was repealed, because its practical effect was to suspend the activities of the empire and to stop the flow of goods into the marketplace.

And even in our day, and before our own eyes, we have the last great failure of an attempt to prescribe by law the price relations of commodities and relative earning power measured in human production, instead of allowing price fluctuation itself to secure its own natural correction of supply and demand.

Russia, with an imposed dictatorship, so-called, of the proletariat, in which was invested by violence and terror the supreme authority over a great people, has been the recent laboratory in which has been tried out this same theory of edict prices and edict direction of the manifold activities of a people. Prices, wages, distribution, production, all prescribed in the wisdom of a central direction, were all to be so fairly related that even a medium of exchange would be dispensed with, and the value of their money was deliberately destroyed.

Under this concentrated direction, supposedly, eliminating many of the hazards and inequalities of privately directed industry, what happened to Russia's industries?

This: the official statement of the Russian Government at the Genoa Conference in 1921 showed that in 1920 the production of plows was 13 per cent of the pre-war, agricultural implements, 6 per cent, and iron, 2 per cent.

Remember Russia was a great agricultural country, dependent on agriculture for produc-





Well, What Can a Man Expect Who Doesn't Even Take Time to Look Over the Applicants' References?

THREE men set out to reach a fixed point. All three got there, but each of the three took a different road, which is just what happened here. We had asked Mr. Macauley to draw a cartoon to add force to Mr. Goodcell's pointed remarks. Just as he had done it along came "Collier's" and the "Saturday Evening Post," each dated March 1 and each with a cartoon on the same subject. At the left is Mr. Inwood's in the "Post," sparkling in its detail.

"If the Business Man Put as Little Thought on the Qualifications of his Employees as the Voter Does in Selecting Candidates to Run the Public Business."



MR. DARLING got a third idea. His business man is wondering why the meal he didn't take the trouble to select doesn't suit. But like his brother cartoonists he leaves no room for the business man to doubt his own responsibility for the results of office holders so long as he neglects to help pick out suitable candidates.

"Folks Who Leave the Selection to the Waiter Ought Not to Complain About the Food."

Business, a Slacker at the Polls

POLITICIANS run the country—always have and always will.

By a "politician," I mean a man who takes an active interest in his country's affairs three hundred and sixty-five days out of every year.

Frankly, I confess to being a politician; and, without casting any reflections upon myself, I say that the only way to get a better Government is by having better men and women take a constant interest in politics.

We live in a materialistic age. The accumulation of money seems to have become the paramount desire of our people. But the wealth of the nation is not in its banks; it is not in its wonderful buildings, its churches, its cathedrals or its schoolhouses; it is not in its great broad fields of grain or its orchards. The real wealth of the nation is its people, and its success as a nation, its rise or fall as a world power, depends entirely upon the interest that people take in Government's affairs, the unselfish service the citizens are ready to render the state.

Men, in the mad rush to accumulate wealth, apparently have not time to take that interest in their country's affairs which ultimately would make for their own welfare. They seem to be blinded by the reflection of the almighty dollar.

Let me give you an illustration of what I mean. On the 8th of May, 1923, we held an election throughout the Tenth Congressional District of California, to choose a successor to the late Congressman Osborne.

At the same time an election was held, a primary election, within the city of Los Angeles (and a major portion of the inhabitants of the Tenth Congressional District are likewise inhabitants of the city of Los Angeles). In addition to nominating the entire official family for our city on that date, there were submitted to the voters of the city proposals to bond the city for more than fifty millions of dollars. The Tenth Congressional District contains the western half of the city of Los Angeles. Probably no congressional district in the United States of America is richer per capita, and I believe that the average intelligence of its citizens is equal to that of any other.

The usual pre-election work was done, not only by the candidates for congressional honors, but likewise by the candidates for the various city offices. And, in addition to all of this, the county clerk sent a sample ballot to every voter within the district and a notice telling that voter when the election was to be held and where he would have to go to vote. The district polled just 30.2 per cent of the registered vote within the district, and elected a congressman by 10.9 per cent of that total registered vote.

One of two things is true: either our system of government is fundamentally wrong, or there is a dangerous laxity on the part of our people. I deny that there is anything wrong with our system of government and I am compelled to the conclusion that the fault lies with our citizens.

Those who failed to vote on that day not only failed to meet the first requirements of

NO BUSINESS MAN would let a competitor or his next-door neighbor or anyone but himself choose his factory superintendent; and if he did, he'd know better than to find fault with that superintendent's work.

But he lets anybody except himself pick the men who make his laws, and then complains to high Heaven that those laws don't suit him.

By REX B. GOODCELL

Collector of Internal Revenue, Los Angeles

the high trust of citizenship, but likewise failed to comprehend the two great fundamental principles upon which this Government is based: first, that there shall be no taxation without representation; second, that government derives its just powers from the consent of the governed.

What representation will those non-voting citizens have in Congress? In what manner do those non-voting citizens consent to the form of government under which they must live for the next two years?

Government Ever Changing

SOMETIMES people smile when a speaker either in a public place or in private conversation, suggests that our Government and our institutions are in danger. Governments, like everything else animate in the world, are subject to the universal laws of nature, and the first of these inexorable laws has decreed that nothing can stand still. A man who does not progress mentally, morally, and spiritually day by day is dead from the shoulders up. The philosophy of the government that does not grow better day by day first stands still, then stagnates, and eventually dissolution follows.

The dangerous man in any community is the one that is satisfied. In private business he is dangerous to himself and to the success of the enterprise which he represents. In public affairs he counsels maintaining things exactly as they are. "Let well enough alone" he is forever inveighing against the agitator.

I have something of sympathy in my heart for the agitator, although I know he is wrong and that if he had his way he would not accomplish that which he seeks to accomplish, but chaos and ruin. He probably approximates a real "necessary evil." A pool of water that stands still becomes stagnant, then polluted, then dangerous to life and health. So it is with the social pool. If it stands too long at any level it becomes stagnant, then polluted; then inevitably dissolution follows.

These agitators, though they inveigh only against fanciful wrongs and put forth fantastic remedies, serve to keep the social pool

from growing stagnant; but strange to say, so far as I have been able to learn, no agitator has directly pointed the way to a rectification of the wrong he sought to remedy. He is down at the bottom of the pool, striking out against that thing which he thinks is wrong, and by his agitation he causes a ripple on the surface of the pool. Then some broad-minded man or woman, seeing that ripple, looks down to the bottom to inquire the cause, sees and recognizes the wrong and points the way to its correction.

The dangerous man to the community is not the agitator, the anarchist, the bolshevik, the communist. The dangerous man to the community is the business man who denies the existence of any danger and is not interested at all in his country's affairs, except to ask for special favors from the Government in the matter of the encouragement or protection of his own individual interests.

The dangerous man to our community denies that danger exists—is content to pursue his own selfish way. His only answer to the agitator is, "Pass another law." Such procedure always has and always will fail. There is but one way in which such a situation can be met, and that is upon the field of intellectual contest. You cannot imprison an idea—you cannot pinion it with a bayonet or kill it with a bullet. You must meet it fairly and squarely and overcome it because you are right, not because you have the brute force to deny its existence.

The right to revolt is inherent and fundamental. If the business men of this country will but take a proper interest in their Government's affairs, they can give to the world a new kind of revolution—a revolution not of blood, but of brains and intelligence, the foundation of which shall be human sympathy.

The answer is with the business men of the community, not with the anarchist, the agitator, the bolshevik or the communist, and the only way we can give a new kind of revolution to the world is for the men who know, who understand natural and economic laws, to sow constantly the seed of understanding in the minds of those with whom they come in contact, rather than to deny the wrong and to leave that mind untaught, within which to sow the seed of misunderstanding with its resultant class hatred.

How Progress Develops

YOU CANNOT legislate brains into the heads of men, morals into their hearts, nor spirituality into their souls. Such things, in accordance with the decree of the Almighty, must come by the gradual process of evolution, education. And all that man-made laws can do is to make men equal in the right to participate in the formation of a government, equal to stand before the courts and within the administration of the law of the land. And greater than all that, and that thing which distinguishes our country from every other country the world has ever known, we can give to all men: equality in the right of hope, the right to work, to strive, to achieve, to dream of better things for himself and his family.

The Case for the Railroads

President Rea of the Pennsylvania Answers Some Pertinent Questions We Put to Him

Q. A good many men, Mr. Rea, are ready to point out what is wrong with our transportation system; but it is not so easy to get an answer to the question: "How shall we remedy conditions so that we can have the most efficient and cheapest service?" What's your answer?

A. If I were to attempt the answer in one sentence, I would say: "Give the railroads adequate net operating income by permitting them to earn for a sustained period of time at least a 6 per cent return upon the property devoted to public service in the several districts or groups." Bring that about, and thenceforth there would be some foundation for an improved system of railroads in this country.

Q. Didn't the railroads do pretty well in 1923?

A. Yes, by comparison. But if the railroads earn a return of only 5 per cent upon their property investment in such a year as 1923, with its record-breaking traffic, how can they be expected to sustain their earning power in other years with lessened traffic? The answer is that they should be allowed to earn either a minimum of 6 per cent in all years or else greater returns in years of general prosperity, in order to build up a surplus to tide them over the years of lighter traffic which are certain to come.

Q. Can't you be more specific, Mr. Rea? How are the railroads going to increase net operating income?

A. As I view the matter, four possible methods suggest themselves:

1. Readjustment of the rate structure to yield larger revenues.

2. Lowering of labor costs.

3. Reduction in taxes.

4. Greater efficiency in operation.

Q. Let's take the first one. What do you mean by "readjustment?" Not a general increase?

A. Certainly not. No one in or out of the railroads is bold enough to advocate horizontal advances, although the railroads are not earning a 6 per cent return. The Committee of the Chamber of Commerce of the United States on Readjustment of Relative Freight Rate Schedules, which considered this subject carefully, went so far as to recommend a general readjustment and revision of the structure of freight rates, having for its purpose a more equitable distribution of rates in accordance with the commercial ability of various classes of traffic to bear those charges. This process is a very necessary one to undertake. It is sound economically and commercially.

Q. If rates could be readjusted logically, wouldn't that settle the whole thing? Would there be need to worry, say, about labor costs?

A. Rate readjustment isn't the whole thing. And there is a question of time involved. Some years will be required to make a revision or readjustment of our entire rate struc-

By SAMUEL REA
President, Pennsylvania Railroad System



Samuel Rea, surveyor at the age of 21, has risen to the leadership of America's largest railway system. He is an outstanding example of the way a willing worker can win authority and financial success under the American economic system of equal opportunity to all.

ture; and while in the end we may expect from this work an improvement in railroad net earnings, together with relief to certain kinds of traffic now probably bearing more than their fair share of the burden, no beneficial results, either to the carriers or to shippers, can be expected in the near future. For the present we shall have to look elsewhere for it.

No Fair Return Provided

Q. DOESN'T the Transportation Act take care of this problem of rates sufficient to give a fair return to the railroads?

A. Whatever may be the defects of the Transportation Act, and no matter how earnestly some people may advocate the revocation of the rate-making provision that rates must be made not to exceed a fair return, fixed at $5\frac{3}{4}$ per cent (which is not a guarantee, but a restriction), the wisest course of all is frankly to admit that such provision has never been enforced since the Act was passed. Yet it was incorporated as one of the chief foundations for providing the American people with adequate transportation

through increasing the net earnings and improving the credit of the railroads. We railroad men, business men and commissions have not yet kept faith with the American people, because we have never insisted upon the enforcement of that provision, which is vital to the whole Act and the health of the railroad service. Therefore, our present form of public regulation has not yet proven its ability to provide the railroads with a fair or adequate return.

Q. Let's move on to your second remedy, lower labor costs. How are you going to bring them about?

A. We must specifically appeal to labor itself to have its leaders enlarge their vision so as to assure continued prosperity and win public confidence. There must be a change of heart among leaders of labor who can see no other policy than that of demanding continually increased wages, with stationary or decreased production, regardless of the effects upon transportation costs or of the ability of the public or the railroad companies to meet those costs. Some of these leaders are specifically committed to the un-American principle of the closed shop. Others advocate, or at least countenance, the totally un-economic practices of restriction of production and the sympathetic strike. Still others, while professing to advocate increased production, do so only upon condition that it shall be under their dominance and direction. We are all part of a big family, tied together for better or worse; and the members of the family must be united and friendly to assure their own work and payroll. There is no lesson more vital than this to the welfare of labor, and the leaders of labor should themselves be its most earnest and consistent advocates. Railroad capital, as well as labor, must have its payroll, or it will not be forthcoming to furnish employment at good wages.

Q. You speak of increased production. By that I suppose you mean more and better work per man—increased personal efficiency?

A. Exactly. And that is largely a problem of creating a renewed and strengthened sense of loyalty on the part of the individual worker to his job and to the enterprise by which he gains his support. This particular labor problem, as it exists in its present form, is largely an inheritance from the period of governmental operation, under the exigencies of war. It is associated with the policy of adjusting wages and working conditions for war purposes and political ends, which prevailed during that era and the period immediately following it. Similar policies have been applied to other governmentally controlled industries besides the railroads, but one of the lessons which we have learned from the experiences of the war is that such policies are not adapted to normal times or to the promotion of our economic welfare under peace-time conditions. It is true that, on the one hand, they promise to the workers an immediate reward in high wages, but on the other hand, they take away this reward in high rents, excessive living costs and oppressive taxation, all of which form cumulative

burdens which reach and threaten to pass the limits of endurance. It is necessary to end the "vicious circle" and get back to the principles of sound economics in our labor relations.

Q. You have a plan of your own on the Pennsylvania. How is it working out?

A. It's a plan of employee representation, and it is meeting a most encouraging degree of success. Essentially it is a system of collective bargaining within our own ranks—a plan by which our officers and men get together face to face to avoid or settle, in peaceful conference, difficulties which may arise respecting wages, discipline, working conditions and similar matters.

Q. Fighting the unions?

A. Not a bit of it. Our plan is in no sense anti-union. The truth of that is evident from the fact that in many cases the representatives elected under it continue to hold their union affiliations. No man on the Pennsylvania Railroad holds or loses a job because of union affiliation or non-affiliation. Sometime we hope to see the power and influence of the Government exerted toward helping instead of hindering the functioning of this obviously American plan of settling differences peacefully and by mutual conference.

Home Rule on Disputes

A VAST forward impetus would thereby be given to restoring and further strengthening the feeling of loyalty on the part of railroad workers, not only on the Pennsylvania, but on other lines as well. The country is too big and working conditions and questions too diversified and personal to settle them all before any single tribunal or by a few national unions.

Q. You spoke of reduced taxes. Isn't that going to be done by tax reduction measures now before Congress?

A. Not noticeably. I approve the Mellon plan, although there is little if any direct relief in it for the railroads. Of course, government economies help everybody, including the railroads. The railroads may be aided, too, as the public becomes better able to invest in their securities.

Q. But high taxes aren't an affliction confined to railroads. Individuals and corporations other than railroads suffer, too.

A. Not quite in the same way the railroads do. The tax bill of the Class I railroads in 1913 was \$118,000,000, while in that year the companies were able to pay to their stockholders in dividends \$322,000,000. In 1922 the railway tax bill had increased to \$301,000,000, while the dividends paid to stockholders fell to \$271,500,000. In other words in the course of ten years the burden of the taxes which the railroads must bear increased 150 per cent, while the returns paid to their stockholders decreased 16 per cent in spite of an enormously increased volume of service rendered, and billions of additional capital invested in the properties. Then the railroads had a lower purchasing price for their dollars and fewer net dollars to pay dividends.

Q. What would be the right way to tax railroads?

A. A fairer way, at least, would be to base taxes with relation to the amount of their earnings and net return. Railroads are already taxed through restrictions as to the rates they can charge for the transportation service, through fixing the wages and working conditions they must meet, and in many other directions that result in minimum returns. In addition there is the recapture provi-

sion of the Transportation Act. If railroads are to be taxed like other corporations, then all of these limitations on rates, wages and profits should be eliminated.

Q. But that is impossible.

A. It is; and since it is impossible, we must look to an equitable taxation basis, so that the power of taxation shall not become synonymous with the power to destroy railroad credit. Under such a gross-net tax basis the Federal and State Governments, which receive the taxes, would share equitably in both the prosperity and adversity of the railroad systems; and the latter would find their burden automatically adjusted more nearly in accordance with their capacity to bear it.

Q. You don't think the Government is quite fair to the railroads in the matter of taxation?

A. No, I don't. Look at the facts yourself. Why charge an income tax to railroads that are by federal law confined to 6 per cent when a 50 per cent recapture provision is applied, and in all but a few cases they cannot earn anything like 6 per cent on their property investment because of governmental restrictions as to earnings, wages and net results? It is surely unfair that the transportation industry should be compelled to face a diminishing net return with an ever-increasing tax burden.

Q. But what about operating efficiency—?

A. Just a minute. One more point on railroad finances. Ought not the Government to reduce the interest charged on loans made to the railroad companies, chiefly for capital expenditures imposed upon them during the inflated war period when the Government not only monopolized the money markets, but controlled the railroads and ordered the expenditures? The railroads are continuing to pay 6 per cent on these loans, a rate higher than the average which the Government pays for its own borrowed moneys; hence the Government is making a profit of probably 1½ per cent from the railroads on these loans, while the roads are struggling to perform a great national service. This may be considered a form of additional indirect taxation. Congress should correct it.

Q. We have talked about readjusting rates, cutting labor costs and lowering taxes; now

what about the management's part? What ought to be done to bring about more efficient operation?

A. The answer runs along two lines: first, more efficient use of existing facilities; and second, extensions of or additions to physical facilities. On that point bear in mind that the railroads are performing services in many directions which are not only unremunerative but in many cases result in actual out-of-pocket losses. Passenger trains are being kept in operation where, owing to changed conditions, the net receipts have fallen to extremely low figures or do not exist at all. There are many branch lines on the Pennsylvania, and other roads throughout the country, which contribute nothing to the support of the system as a whole, but are serious and increasing burdens. In other forms of enterprise no less important to the social structure than the railroads it is not expected that such undertakings shall be indefinitely continued. It is hard to see why a different criterion should be applied to the enterprise of railroading.

Q. You don't mean that the demand for railroad service as a whole is decreasing?

Trend Toward Bulk Service

A. QUITE the contrary; but increasingly the railroads are becoming adapted to giving service in bulk. We may regard them as the mass, or wholesale, carriers of the nation. As their equipment, yards, terminals and other facilities become increasingly adapted to this purpose, they become less adapted to the retail forms of transportation—such as short-haul traffic and less-than-carload freight, and the shorter distance light passenger service.

Q. What of increased and additional physical facilities?

A. There we get right back to the most fundamental of all railroad problems—the restoration and stabilizing of credit. Until that problem is assured of solution, no practical program for the sustained betterment or improvement of railroad facilities on any substantial scale is capable of formulation.

From an engineering viewpoint there are many improvements which could be adopted, or the present use of which could be greatly extended, and which would very materially increase the efficiency and reduce the cost of railroad operation. The initial installations, however, would require the investment of very large sums of money.

Electrification of the railroads can be regarded as only in its infancy. Lack of funds has been the chief bar to progress for many years, and is today.

Experiments will continue with gasoline rail motor cars, and probably with automatic train control devices; grade crossing elimination must proceed; automatic signal crossing protection, and extension of block signals, to enhance safety in general, must also be provided.

Without considering these demands for additional safety devices, new types of equipment, or the requirements for maturing securities, the Chamber of Commerce of the United States has estimated that railroads require a minimum of \$787,000,000 per annum to meet the expected traffic growth. How to raise the required funds, as I have indicated before, involves finding the answer to the entire problem of the permanent stabilizing of railroad credit, which can only be effected by the permanent assurance of adequate net earnings.



The Fun I've Had in Business

2. My Adventures in South America

By CHARLES R. FLINT

THE BUSINESS of W. R. Grace & Co., of which I was a partner, became varied in its character. In addition

to engaging freight and loading vessels, we also acted as commission agents, buying for merchants, various estates, and companies in South America. I found no difficulty in the engaging of freight and the loading of vessels, because of my previous experience in shipping; but I had never done much important buying; and when an order came from Francisco Bryce for a sugar plant for his great estate, "La Estrella," near Lima, I realized the importance of the commission that had been assigned to me.

Although we were a patriotic American firm, it was our duty to buy the sugar machinery in the best market; indeed it was the very fact that we had facilities for investigating the markets of the world which enabled us to get the order.

Just as soon as one gets into international merchandising one must take the world as his market, for discrimination in favor of the home product will soon wreck business. One can, however, sell a domestic article if it is as good and costs no more than a foreign product, or if it is better than the foreign product—even at a higher cost.

This was my first big venture in buying machinery. I got designs and prices from Belgium. Because they had low labor costs they made low tenders. I got prices from Glasgow and Liverpool. They were higher than the Belgian prices, but their work was of a higher character and they were willing to give a practically unlimited guarantee of its stability.

Then I secured a quotation from the Southwark foundry in Philadelphia. Their prices were the highest of all, but their designs were far more progressive than the European ones, especially in saving labor. The foreign designs, for example, had the sugar run from the strike pan into flat tanks, from which it had to be scooped out and taken by hand to the centrifugal; while the American designs provided that the liquid should run directly into tank trucks which were wheeled to an elevator and dumped, without further handling, into the receiver over the centrifugal. The saving in labor in that operation amounted to 60 per cent.

I contracted for the American machinery. The sugar plant erected cost half a million dollars. The Southwark contract amounted to \$168,000, on which they lost \$30,000; but because of the excellence of their design, this unprofitable order gained for them two large and profitable contracts.

Wherever the labor costs of an article are large in proportion to the raw material costs, an American firm stands little chance of getting foreign business on a competitive basis. But an American can nearly always sell machines at a high first price if he can show that the machines materially reduce the cost of

production. This, however, is not always an easy demonstration to make. We build our machines on the assumption that they will be operated by high-priced labor, and we build them to cut down the amount of that labor, but in some parts of the world labor is very low-priced.

It is, therefore, well to bear in mind when bidding upon a foreign contract that the labor-saving features which ordinarily ought to land the contract for the American will not be important if the machine is to be used where labor is plentiful and cheap. Also, we do well to remember that European makers gradually adopt the best features of our designs. They must do that to meet our competition, and so it is of the highest importance for an American never to permit any

tain Griffin, I enjoyed taking the latitude and longitude. I read Maury on Air Currents, and it was particularly interesting literature during the hurricane season on board what today would be called a small steamer.

On my arrival at Panama I called on James Boyd, the proprietor and editor of the *Panama Star & Herald*, which circulated on the west coast from Mexico to Patagonia, realizing that my business status on the west coast could be established by this newspaper. I had filled Boyd's orders for wooden legs for several years; and I had often wondered why he ordered so many, until I dined with him.

In his newspaper Boyd described me as one of the important merchants of the United States, amply able to grant credits for the extension of trade, and I found it very difficult to play the part.

At Guayaquil the steamer remained over night, and L. C. Stagg having read in the *Panama Star & Herald* of the "important merchant," arranged for me to be invited as a distinguished American to a public dinner, reception, and ball. The government band of thirty pieces furnished inspiring music. The president of the club practically repeated what he also had read in the *Panama Star* and proposed my health. Not speaking Spanish



Building the Railroad Across the Andes

product that he expects to sell overseas at a higher price than the foreign product to fall short in ingenuity. The European makers, for instance, were gradually compelled to adopt our progressive designs in sugar machinery. They could not get the business otherwise.

In 1874 I received a hurry call to go to South America, and took the Pacific Mail steamer for Panama. On board the steamer, instructed by that grand old sailor, Cap-

fluently, I could express only in English my appreciation of the high honor and add a "viva" for the President of Ecuador, and a "viva" for Bolivar, the "Washington of South America."

In Callao and Lima the "important merchant" had to spend most of his time in "the dry drudgery of the desk's dull wood." Soon after my arrival I visited the sugar estate of La Estrella where the sugar apparatus which I had purchased in 1872 had been erected and was functioning successfully. I later visited the large sugar estates to the north of Callao and became familiar with their operations.

I found that successful agriculture is practically assured in Peru, as there are no uncertain elements. There is always the sun; there is little variation in temperature; and

it never rains, the water being supplied by streams from the melting snows of the Andes. Under these conditions, as you can plant every day in the year, you can gather a crop every day in the year.

In Peru I had an excellent opportunity of becoming intimately acquainted with the shipmasters of different nationalities. We were agents for French, Germans, Scandinavians, Italians, English, and Americans. From my knowledge gained as an agent for shipowners in foreign ports, I do not hesitate to say that at that time, in the seventies, the American shipmasters were usually superior to those of other nations. They were generally part owners and had full authority to conduct the business of the ship, while the captains of European vessels were for the most part only sailing masters, and we as agents received instructions on important matters direct from the ship owners.



I also observed that the managing owners who treated their captains liberally, particularly in rendering an account for the master's interest at the exact cost of material and labor, had adopted a wise policy. The captains in foreign ports often compared notes as to how they had been treated by their respective managing owners, and when they found that one shipbuilder gave a "hard pan" figure and another an inflated one, the captains got even in foreign ports by retaining commissions which captains of the actual-cost ships would credit to their owners.

In one case a captain included in his expense account a suit of clothes, which the owner refused to allow. The next time the captain returned home and rendered his account, the owner said: "I see that you left out the suit of clothes this time."

"Oh, no," replied the captain, "it's there, but you can't see it!"

Soon after my arrival in Lima, I encountered the greatest American figure that has ever been south of the Isthmus—Henry Meiggs—for many years the actual, although not the titular, dictator of Peru, and a man who was known from one end of the west coast to the other simply by his given name, "Don Enrique." Meiggs had left San Fran-



cisco as a bankrupt; he landed in Chile with no assets other than a remarkable personality. He obtained several building contracts in Chile, and then he moved to Peru where he turned to his advantage what I think was the most remarkable political situation that the world has ever known. Usually a government is supported by the people. Peru in those early years was a government that supported its people, or at least supported those of the people who could get into political power. The one great source of revenue was the guano deposits of the Chincha Islands, which were sufficient to support everybody in Peru who could get his hands on the money. A good many hands did try to get this money. Nobody ever heard of a president finishing out his term of office. As soon as a new man was inaugurated, he became a target and many willing successors were on his trail.

I once referred to the enormous value of these deposits at a dinner which I attended in Washington, given by Gardiner G. Hubbard. Among those present were Secretary of State Blaine, Secretary of the Interior Noble, and Justice Brown of the Supreme Court. I remarked to Mr. E. S. Converse that the guano shipped from the Chincha Islands had sold for \$600,000,000. Whereupon Senator William M. Evarts, at the other end of the table, attracted general attention by asking in a loud voice:

"Mr. Flint, do I understand you correctly, that the guano shipped from the Chincha Islands sold for six hundred millions of dollars?"

"Yes," I replied.

"The deposits of seals and birds," said Evarts. "What a commentary on human effort!"

Into this situation came Meiggs with his wonderful presence and equally political gifts. He saw that the immense revenue from the guano deposits might better be used to promote accord than revolution, and that it ought to be the developing power of the country. Peru then had insignificant railways. Don Enrique planned railroads for all important points. The Peruvian coast is a strip walled by the Andes, and every railway to the interior must be built practically to the clouds and at enormous outlay of money. Meiggs planned the construction of those railways.

He went further than this—he planned to give all the potential revolutionists jobs, even revolutionists afloat. He sent one of them to us and we purchased a fine sailing ship for him, which was appropriately named the Don Enrique. It was a Peruvian custom that when a man came into power he and his friends were the sole beneficiaries of the state funds. Meiggs, with the larger vision, seeing that there was plenty of money to go around, gave everybody something to do and some money for doing it, with the result that the country under Balta enjoyed an unprecedented prosperity. In this fashion did Meiggs destroy revolutions at the source.

Don Enrique Meiggs was a builder. He made millions, but it was the adventure and the power that lured him—"el empresa," the undertaking—as he expressed it. As a railroad builder I should say he was fully in Hill's class, and as a financier he was in a class by himself, for on the strength of the guano revenue the Government borrowed £30,000,000 abroad. At that time there was no American money to lend in South America.

At a terrific cost Meiggs ran those railways over the Andes, using American engineers, American locomotives, American cars, and American bridges, notwithstanding the fact that he had expatriated himself and not under the most favorable circumstances. He remained an American, and although the money he was spending came from Europe, he bought most of his material for the railways in the United States.

He developed to some extent the Cerro de Pasco silver mines and executed great plans for the development of agriculture. But Don Enrique did not let power go to his head. He was too astute a politician for that. He never held political office, he never tried to be a dictator—he managed men while they managed the country, and there can be no doubt that it was Meiggs, and Meiggs alone, who built Peru.

On my first visit to Peru in 1874, Henry Meiggs was at the zenith of his power. He had railway contracts with the Peruvian Government aggregating \$126,000,000.

On my second visit in 1876 Meiggs' power was gradually waning, but he continued to impress everyone as a super-man. I attended the wedding of his daughter at the Meiggs' residence in Lima. It was staged with the usual magnificence of a Meiggs function and was a grand social event. At the wedding feast a solid silver service was used, that had been exhibited in New York by the maker, and which cost \$25,000. "Don Enrique was

then the most popular man in Peru, and at no time in his career did he have a more commanding presence.

I had one unpleasant interview with him. A vessel came to us with a cargo for Meiggs. I had heard that he was finding difficulty in meeting some of his obligations.

Everything that the Captain had in the world, for himself and his family, was in his vessel and

he relied on us for protection.

I explained to Mr. Meiggs our obligation to the captain and said that we wanted the freight paid in advance or an undoubted guarantee of its payment before delivery of the



cargo; that while my firm was ready to give him credit, we should not be justified in delivering that particular cargo without security. Meiggs' attitude reminded me of Tim Campbell's remark to Grover Cleveland, "What is the Constitution between friends?" With all his remarkable ability, he apparently did not appreciate the seriousness of our obligation to that captain. I, of course, insisted on security, and thereafter our relations were somewhat strained.

While the railroads that Meiggs had built were developing the country their receipts were not as a whole equal to the cost of their operation. The guano of the Chincha Islands had been about all shipped, and the end of the other guano deposits was in sight; money was not available to satisfy the "outs," so that Meiggs' power in the Government began to wane. Balta, the President, friend of Meiggs, was assassinated. The people, having shared directly and indirectly in the proceeds of guano shipments as well as in the benefits from government loans placed in Europe, and being used to relatively easy agricultural conditions, were at first incapable of facing a situation that demanded the thrift and industry which the Scotch and New England Yankees have acquired in long struggles against hard natural conditions.

A Leg Up to an Old Friend

IN 1874 I had given a letter of introduction to Mr. Meiggs in favor of one of the friends of my youth—J. Sprague Meeker. He was of good family, a graduate of Williams College, and had been admitted to the bar of New York. In business he was one of the 95 per cent that does not quite succeed.

On leaving New York to circle South America I had been glad to make Meeker a loan, leaving with him the security which he had given me. On my return he met me at the steamer, told me that he was in bad and had been forced to sell the security. He felt that he could make a fresh start in Peru, and asked me for letters of introduction to men of power and influence in that country.

I knew that Meeker wanted to be honest, and I told him that I would give him letters if he would give me his word that he would not borrow a dollar from those to whom I introduced him. He gave me that promise, went to Peru, and, rather than use my introductions for getting money, he pawned everything that was pawnable, and didn't have a square meal except when Meiggs or members of Meiggs' family invited him to dinner.

Henry Meiggs, seeing that Meeker was up against it, and having been through that experience himself, put him in charge of his plantation which was situated half way between Lima and Callao. He succeeded by strict economy in saving money and paid back to me every dollar that he owed me.

In 1876 during my six months' stay in Peru, I generally went on Sunday to breakfast with Meeker at the Meiggs' estate, having been assured that my visits were agreeable to Mr. Meiggs. I now think back with pleasure on my Sunday forenoons with Meeker. He was a man of intelligence, and the surroundings were most entrancing.

The Meiggs' house was built on the top of a mausoleum, erected by the Incas, which had vertical sides about 25 feet high; the top was flat and 300 feet square. In the center was a story-and-a-half country house of generous dimensions, surrounded by a most beautiful flower garden, with shade trees of considerable size growing out from this mound. To the west we could clearly see the steamers and sailing vessels on the Pacific Ocean, and

to the east there towered the Andes Mountains whose summits, in perpetual sunshine, were covered throughout the year with snow.

After Meiggs' death, Meeker's administration of this estate was not continued; he was obliged to take a subordinated clerical position; and months passed during which I did not hear from him. Then one day I was surprised at my office in New York by the following telegram from San Francisco: "Telegraph me four hundred dollars and you will never hear from me again. Meeker."

I at once telegraphed the money and neither myself nor any member of his family, nor any of his friends, have ever heard of him since that telegram.

The influence of Henry Meiggs did not die with him. He left not only a permanent impress on Peru but also, although indirectly, on Costa Rica, and with this our firm had some connection.

When Meiggs was fulfilling his large railroad building contracts in Peru he gained such world prestige that the Government of Costa Rica gave him a contract to build a railroad from San José, the capital, to the Atlantic, where a port was to be established. This contract Meiggs turned over to his nephew, Henry Meiggs Keith. He died, and his brother, Minor C. Keith, founder of the United Fruit Company, took up the work and finally became the most important man in Central America. It was from Keith that we received orders for supplies to build the Atlantic terminus, christened Port Limon.

In order to build the proposed railway it was necessary to traverse rugged mountains and fever-breeding swamps in the wildest portion of Costa Rica. At the time when Keith landed, the site of the present Port Limon was an unpopulated jungle. There were no steamship lines to any part of the east coast of Central America, no highways or railroads to the populated sections which were in the interior, no ice, no fruit or vegetables except canned goods, and no meat except salt meat and the wild game of the jungle.

Railroading Through the Jungle

EVERY one of the climatic obstacles that made the building of the Panama Canal so difficult was present in far more serious form in Costa Rica, and Keith coming to build his railway did not have behind him the resources of the United States Government. He could no more have rendered healthful the region through which the railway was to pass than he could have washed the face of the moon. He simply had to take things as they were.

And, taking them as they were, he stayed right on the job through the jungles and over the mountains, and financed and drove the railway.

The senior Agassiz wrote to me a long letter specifying the collections that he wanted from these unexplored jungles, and the Smithsonian Institution sent Professor Gabb to collect ornithological specimens, and in addition Keith obtained there a famous collection of prehistoric pottery.

Keith had had no previous experience in railway or any other building. I think he was only twenty-two years old when he began. On the credit of Costa Rica he borrowed funds in Europe. He had engineers with him and learned a great deal from them.

The engineering obstacles were great enough—the railroad had to make steep ascents of the mountains and it had to be supported through swamps—but even more difficult was the problem of human engineering. The people had to be driven, the spirit behind it all had to be indomitable. It was

Keith who furnished that spirit. He stayed right with the work, he managed the forces, he kept the labor on the job, and he was a power in the Government.

With the Government in the hands of a very small group, as is sometimes the situation in the less developed countries of Latin America, a *coup d'état* is possible and practicable; it is a lot less trouble than a regular revolution, and it is, also, a good deal cheaper and safer. There is no particular use in getting an army together and collecting expensive arms and ammunition when the same result can be achieved by seizing the offices of the government.

200 Revolutions a Minute!

IN THE Exposition of 1876 when Pedro Segundo pushed the button and started the machinery, the engineer pointed to the enormous fly-wheel.

"That fly-wheel," he said, "makes two hundred revolutions per minute."

"Wonderful," exclaimed Don Pedro. "That is almost equal to the Republic of Peru!"

General Guardia got in by one of these comparatively bloodless changes.

We received a cable from Keith that Guardia, the president-elect, was leaving for the United States. Mr. Grace was abroad, but I secured the United States cutter, U. S. Grant, obtained permits to take His Excellency and his suite off the steamer at quarantine, and arranged with Delmonico's to furnish an elaborate breakfast so that Guardia might see how we fed our naval officers.

There was enough brass and gold to make the welcome of the president-elect impressive. Guardia was a man of executive ability—as evidenced by his *coup d'état*—so going up the bay, and as we steamed around the city, he proceeded to business.

He announced that he wanted us to buy rolling stock for the Costa Rica R. R. and that, incidentally, he wanted a credit of \$150,000, for which he not only pledged the obligation of the Government but additionally promised on his sacred honor that it would be paid within six months. We purchased the locomotives from Baldwin's and the cars from Jackson & Sharp, of Wilmington; but when the \$150,000 came due, instead of it being paid, General Guardia drew on us for \$10,000, the amount of his personal account. We refused to honor this draft. We first wanted our money from the Government.

Then the rumpus started. Someone had to go personally to Costa Rica, but if I had gone as a private citizen, Guardia might have first clapped me in jail and then discussed my value to the firm as a credit on the loan. So I went forthwith to Washington to secure a government appointment as bearer of dispatches. Being unsuccessful, I sent a person who was willing to take his chances for \$5,000. He came back with the full \$150,000 and we then honored the President's personal draft. There is no particular hard feeling in a transaction of this kind. Guardia was probably only experimenting to discover how much he could get away with. Discovering that he could not get away with anything increased his respect for us.

Keith's railroad made what there was to be made out of Costa Rica. There had been no terminus on the east coast. He founded Port Limon, which is now a thriving town. Keith also built a road in Guatemala and devoted himself to the promotion of the banana industry. To bring the bananas into the United States he founded the United Fruit Company with its line of steamers. Whenever Keith put his hand to anything, he never stopped until the task was finished.

The High Cost of Too Much Business

By HARRY TIPPER

The Sixth Article of our Series on Distribution

"ONE OF our big troubles is the cost of beating the bushes." The remark was made by the president of a manufacturing concern in the East as we were discussing costs at lunch one day.

"For instance," he continued, "we used to do a mail-order business entirely and ran up a business of half a million dollars at a sales cost of 5 per cent. Ours is a small line anyway, so that a mail-order business of that size was pretty large.

"But we were not satisfied with it. We figured we could build a much bigger business, but we couldn't do it with mail-order methods. We tried without success. So we built a sales force and used different methods of advertising. On that plan we were doing \$2,500,000. It was costing us 17 per cent and now that we are doing nearly four millions it is costing us nearly 20 per cent for sales. Of course that's small business, but it is a large volume for our line; in fact, we are the biggest company in the field.

"I don't see how we can expect any decrease in the sales cost; in order to maintain our volume we must sell in every nook and corner of the territory. We must get into contact with every buyer. When we do that, our competitors do it, with the consequence that several companies are doing this: beating the bushes, trying to scare up a little more game, when we have shot down all but a few of the young or broken down.

"That costs money and it is of a piece with a lot of other things we do.

"Of course, we used to answer this sales cost question by getting the factory to reduce the cost of manufacture, but they are about at the end of their rope on that score. I don't know but that I may have to change my ideas radically on the subject of volume or size before I get through. At any rate, in some way I've got to find an answer to the increasing cost of sales and distribution with which I am faced."

Some years ago one of the oil companies, in the endeavor to push the market for motor oil, started an experimental campaign in two or three towns in New England, and this experimental campaign was directed to the car owner. Not long after this campaign was started the competing oil companies one by one established their own methods of contact with the car owner in order to

counteract the effect of the original campaign.

The oil company that established the campaign in the beginning had a very considerable success with it, and its value seemed to be justified in the first few months of the operation, so much so that the same campaign was extended into a number of other cities. However, the introduction of the competitive campaigns changed the situation to a considerable extent.

When all the operations of competitive

in the total business had been secured at an expense almost equal to the sales work required for the actual operation of the other 90 per cent.

The situations here described could be paralleled in almost every city and in almost every line. Everywhere a live topic of conversation and the subject of earnest inquiry is "the increasing cost of distribution."

Of course, the statement of the manufacturer was merely a translation of that interesting and somewhat abused law of diminishing returns. It is the incessant discussion in the vernacular of the business world which makes the matter important. So long as the law of diminishing returns did not interfere with profit and the volume was the source of greater net profit, this law was of interest only to "college professors." No desire to consider it invaded the mind of the average business man. Along with business cycles and other economic formulae, it made a good topic of conversation, provided you didn't try to put it to practical application.

But a good many things have happened since the war. Growth in volume is not as certain as it was; when it is secured, it must be procured at prices which do not offer the same area of net return. Costs do not come down. Buyers will only buy when prices are interesting and manufacturing shows no signs of taking over the burden of making the adjustments.

More of the dollar goes into the payment of the costs of marketing, distribution and other commercial items; less of the dollar goes into the payment of products and manufacturing. More of the effort

is expended in the endeavor to produce volume from a recalcitrant market and the return on this effort is less.

Cost of retailing has gone up steadily. A number of years ago John A. Hobson, the English economist, drew attention to the fact that as it became more difficult to enter into industry without skill, more of the less efficient workers crowded into the trading and distribution lines. This tendency almost escaped the attention of the business man, until Representative Anderson's detailed report on the subject and other discussions of the matter began to draw more specific attention to the character of the retailer and his methods of doing business.

With the cost of retailing going up and



pressure had been going a sufficient length of time to make an analysis worth while, a check-up was established as to the business in the original territory. This check-up revealed that the company originating the campaign had secured 10 per cent of the business previously going to competitors, in addition to the expected growth.

A calculation of the amount of money expended by this company and the competitive companies, in their endeavor to establish the greatest sales contact and pressure with the car owner, developed the astonishing fact that this campaign had cost the oil industry almost as much as the rest of the promotion work being done for the sale of motor oil in that territory.

In other words, a change of 10 per cent

with the number of retail establishments constantly increasing, the manufacturer who must distribute through the retailer or the wholesaler whose business depends upon the same contacts, find it necessary to "beat the bushes" so that no possible outlet is left uncovered.

In an examination of the retailing field in one line of business, however, it was found that:

40% of the retailers did 80% of the business
20% of the retailers did 15% of the business
40% of the retailers did 5% of the business

The cost of traveling salesmen, billing, advertising and other sales and distribution efforts to the 40 per cent who do only 5 per cent of the business is not very much less per visit or per order than the cost of covering the 40 per cent who do 80 per cent of the business.

The expense of this "fringe" business is entirely out of line with the possibilities of return and yet the competitive desire to control all possible outlets of sale leads to the expenditure of almost as much time and effort on this area as on the larger volume customers.

Why should the manufacturer expend in his advertising, sales promotion and sales extension work as much effort on the customer whose requirements are only \$500 per year as on the customer whose demands are ten to twenty times as great?

Yet this is frequently the case.

One manufacturer, after finding that business was not yielding the proper return for the volume, rearranged his system to show the proper cost relation for each territory of his sales area. He was amazed to find that the cost varied from 5 per cent in the most productive area to 60 per cent in the least productive area from the standpoint of volume.

Rearrangements of the entire method of selling in some areas were necessary in order to bring the business secured into the profitable area.

A manufacturer of automobiles, whose yearly production has been always less than 5,000, for years advertised, conducted sales promotion and appointed dealers in any part of the United States, and most of his work reached a considerable portion of the population of this country.

As a consequence his market was never cultivated. It was thinly scratched over a wide

acreage and at no point in the territory was his hold strong enough to withstand the increasing competition and the strength of local reputation in the buying of this commodity.

The cost of doing business was out of proportion to the possibility of return from the volume of product and the failure of the enterprise was a logical result.

Widespread, extensive promotion and rapid expansion of sales area has led to the use of "blanket" methods of operation on the one hand, while the desire to secure the closest possible control of the market has placed an excessive sales pressure on the individual buyer.

The competitive cost of sales tends to increase as the returns from the fringe market decrease.

Some years ago a company dealing through retailers decided to try out the experiment of selling to the individual in a certain section of the country. The plan seemed to work well, but the competing manufacturers were stirred up by the new method and came back with competitive sales pressure along the same lines. After the smoke of battle had cleared away somewhat the business had switched from one company to another to about 10 per cent, but that 10 per cent had cost the competing companies almost as much as the rest of the business.

All these tendencies lead to the question:

HARRY TIPPER, formerly advertising manager of the Texas Company, says it is the "little bit more" in selling that adds the "great deal more" to the cost—a novel and helpful view.

How is the situation to be overcome? There is no panacea for the trouble. Each problem in each case demands separate analysis and individual solution.

There are a few principles involved which are the basis of more accurate operation of marketing and the foundation of getting volume business with less expense. These principles are:

1. More attention to the market and less slavish consideration of competition. Maybe some of these things done by the other fellow are not so necessary to the buyer as we think they are. Maybe the extra services, the additional pressure, does not need to be followed. Perhaps the buyer can be satisfied with simplified operations if he understands their values.

Anyway, our job is to individualize

the sale to the buyer and that is not done by a slavish following of competitive tradition.

How does the buyer buy? This question is not so readily answered because it involves the relative importances of each item of value. He may not value the sales points as the seller does. The extra service may be unimportant. Frequently we know little about his buying moods. No one item presents the whole value or reason for buying and many times our most cherished sales arguments or service is of little importance to him.

More attention to the market and less to competition is a sound principle in efficient sales work.

2. Analysis of the method of marketing as to its special suitability to the work. Less attention to the market as a whole and more scrutiny of the various sections, groups or divisions of the market industrially, socially or geographically is necessary for the proper analysis of the methods that are strictly suitable to the case.

Marketing methods are too general, too blanketing in their conception and arrangement, not sufficiently specialized and individualized to make them strictly suitable to the individual problem.

3. Methods of cost analysis which will truly reflect the varying cost of getting business in different ways and through different areas.

There are no present comparable costs of marketing available, except where the Harvard Bureau and other organizations have been able to establish them, mostly among certain lines of retailers.

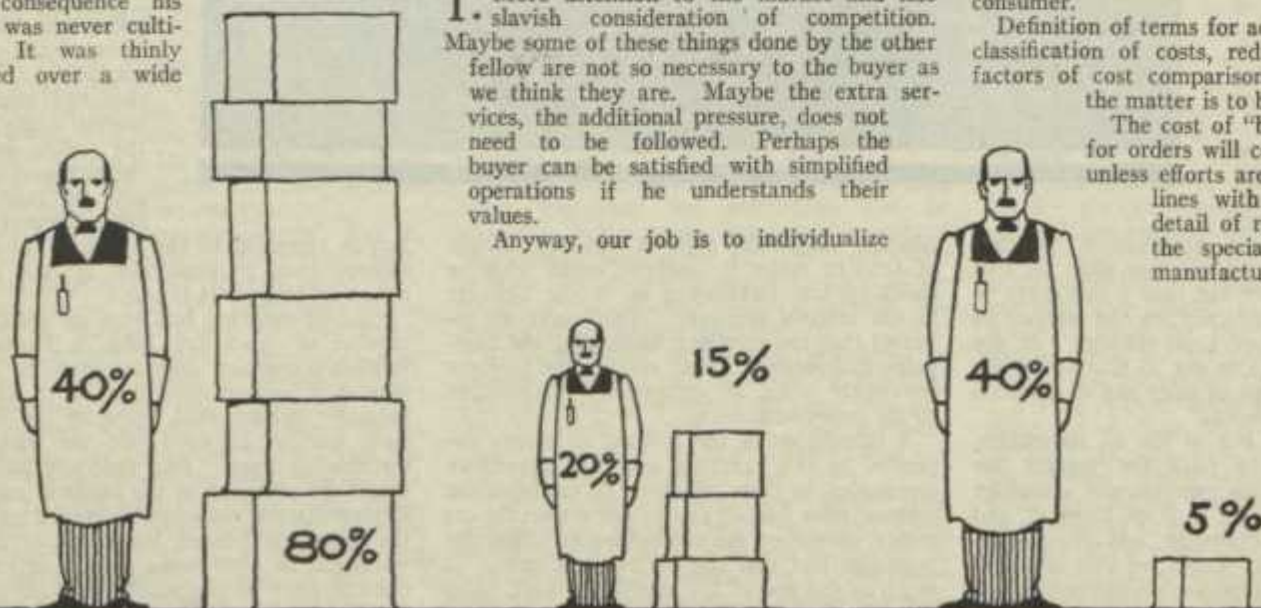
Accounts are differently classified, terms construed in various ways and costs collected with different bases, so that no accurate examinations or comparisons are possible.

Manufacturing without the development of cost accounting would be chaotic, and marketing is suffering from the lack of accurate development of this feature.

No subject is more important and more pressing than this. I do not believe I am wrong in saying that there are many manufacturers whose knowledge of production costs is accurate but whose knowledge of their distribution costs is vague and unsatisfactory. A long step along the path to lower distribution costs will be made when we have a better answer to this question of what it costs to get goods from the maker to the consumer.

Definition of terms for accounting purposes, classification of costs, reduction to common factors of cost comparisons are necessary if the matter is to be studied properly.

The cost of "beating the bushes" for orders will continue to increase unless efforts are made along these lines with the same careful detail of research devoted to the specialized problems of manufacturing.



40% of the retailers did 80% of the business. 20% of the retailers did 15% of the business. 40% of the retailers did 5% of the business.

What Markets Can the Farmer Expand?



THE RANGE of a man's wants, other than those for food, may be increased many-fold, but the capacity of the stomach can be increased scarcely 10 per cent. Therein lies one of the basic reasons why industry has forged ahead while agriculture finds itself falling behind."

The speaker was Julius H. Barnes, president of the United States Chamber of Commerce. He was addressing a great gathering of economists, particularly agricultural economists, from all parts of the nation. His words very evidently made a deep impression on his audience. It appeared to be a new thought to many. Mr. Barnes followed this up with a constructive suggestion which likewise sank home. He said:

"I criticize agricultural scientists in that they have not developed agricultural production more largely along the lines of furnishing the raw materials for industry. Instead of sticking so closely to food products which depend upon an inelastic consumption capacity, why not furnish more of the raw materials for which there is almost unlimited consuming capacity?"

It was easy enough for the agricultural economists to pick holes in Mr. Barnes' general statement. It was pointed out, for instance, that the principal crop of the South is raw material for industry and only the by-product is used as a food. Tobacco, a \$400,000,000 crop, is not ordinarily considered a food either. Then there are wool, hemp, flax, soy-beans and several other minor crops that are used solely or largely as raw materials for industry.

Furthermore, just what crops would Mr. Barnes suggest be increased to meet industrial demands? What new crops did he have in

By O. M. KILE
Author of "The Farm Bureau Movement"

mind that should be developed, and what new needs created? Yes, it was easy enough to raise exceptions and find fault with the proposal. But after all was said and done the feeling still stuck in the minds of most of those who heard Mr. Barnes, that his suggestion embodied a real idea and that perhaps his criticism of agricultural scientists and economists is a just one.

When you stop to think of it none of our earlier agricultural exports were food materials. In colonial days we exported cotton, tobacco, hides and indigo. Very little else. It was only when Europe outgrew her food production capacity that we started in to help keep her larder filled. Now that Canada, South America, and some of the other newer lands of the earth have shown their ability largely to relieve us of this job, perhaps it would be good business for us to utilize our surplus food-producing capacity (over and above our home needs) in producing more raw materials for industry.

Out of \$7,480,000,000 worth of farm crops (not including livestock products) grown in 1922, \$1,530,000,000 is attributable to non-food crops. But if we eliminate cotton, only

about \$338,000,000 is left for all remaining non-food crops. There would seem to be room for expansion in this direction.

I received a letter the other day from the American Cotton Growers Exchange. In small letters beneath the fancy engraved letter-head, I read the words, "This paper is made from cotton." I am informed that France is just now constructing a large paper mill which will use as its raw material not wood pulp but a cultivated grass. Louisiana sugar producers are at present producing a sort of building board made from the crushed cane after the juices have been extracted.

"But," our scientists say, "cultivated crops can't compete with the natural wood fibers in paper-making." What they mean to say is that under the methods now employed cultivated plants are at a disadvantage. That does not settle the question, however. Not by a good deal. Steel manufacturers told Mr. Ford that he could not make steel castings direct from iron ore with one melting. It had always been made by first making pig iron, then remelting. But Ford's big new River Rouge plant is rather convincing testimony that the trick can be done in one operation. Perhaps we need some industrial engineers in agriculture.

Speaking of Mr. Ford recalls the fact that he is quoted as having in mind the use of pressed cotton instead of sheet metal in constructing parts of the body of his automobiles. Experiments have shown the idea to be entirely practicable, it is said. Paper car wheels have long been known and used.

A good many farmers of Illinois and Indiana have found it profitable during the past two or three years to substitute soy-

beans for corn. Soy-bean oil is widely used in soap-making and as a substitute for linseed oil in the manufacture of paint. The cake left after the oil is extracted is a valuable cattle feed. Peanuts are now similarly used in parts of the South. A good many million bushels of corn are used annually in making starches and other products not used for foods.

What has become of the industrial alcohol craze of 15 years ago? In 1900 we had only 13,824 motor vehicles in operation. Last year 14,500,000 were registered and, presumably, each was consuming its average quota of gasoline—about 350 gallons per year. Why has not industrial alcohol, made from agricultural products, supplied at least a small portion of this huge lake of motor fuel? I am told that this movement was given a definite setback by the opposition of the oil companies something like two decades ago.

Market in Automobile Material

HOWEVER that may be, the extraordinary discovery and development of new oil fields within recent years has probably been the primary cause for failure to develop this promising outlet for specialized farm crops. New gushers can't be brought in every day and in the meantime the factories are turning out new motors at the rate of 4,000,000 a year. It looks as though the farm would yet be called upon to keep these wheels turning.

But what are some of the crops our industries now bring in from abroad? Perhaps some of these could be grown at home.

One of these imports that is occupying the attention just now of both the Department of Commerce and the Department of Agriculture, is crude rubber. We use about three-fourths of all the crude rubber produced by the world and 90 per cent of it comes from the East Indies. Present efforts are directed largely toward establishing a supply in the Philippines and in nearby tropical regions, but some attention is being given toward adapting plants to culture in the United States. There are several score of plants that contain rubber. Some of these are trees and some shrubs. They grow under a variety of conditions. The chief difficulty at present is that all of these plants that might be made to grow in the United States are so low in rubber content as to keep their cultivation from being profitable.

This is not necessarily a permanent bar, however. The same problem stood in the way of sugar production when sugar beets were first introduced into Germany. They could

not compete with semi-tropical cane. But German scientists had to make beet sugar production practicable; so they did it. When Margraff and his pupil Achard took hold of the sugar beet it produced only a small percentage of sugar. Today the descendants of those same German beets contain from 15 to as high as 18 per cent of sugar. Plant breeding did it.

Perhaps the same thing can be done with rubber. At least the trial is worth serious effort on the part of our scientists. It is reasonable to presume that there are many undiscovered possibilities in the improvement of plant qualities with a special regard to their application to industrial consumption, as well as undiscovered uses for their normal qualities.

Sugar production might be greatly expanded in the United States; we now grow only about one-fourth of our requirements. The sugar-producing possibilities of our sorghums, of which Kansas and several other states produce a large acreage for sirups and feed, have never been developed. Sorghum runs even higher than sugar cane in sugar content. The Department of Agriculture made some efforts along this line some years ago but dropped the subject because of difficulties in purifying the product. This does not seem sufficient cause for abandonment of the idea.

Raw silk now stands at the top of our list of importations. We spend more money for crude silk in skeins than for any other article we bring in. In 1922-23 this amounted to \$414,000,000. Silk can be produced in the United States—has been produced. A little science expended in applying modern methods to silk culture might add another branch to our agriculture. Honey bees seemed insignificant things to work with, but science put honey production on a business basis and it is now an important industry.

Demand for Coarse Fibres

MORE than 200,000,000 pounds of binder twine are used each year to bind the grain crop. To date all of the raw fibre for this twine comes from foreign territory. We can at least grow this in territory under our control—the Philippines, Porto Rico, and the Hawaiian Islands. The sisal plant from which much of the twine is made grows well in parts of Florida. If labor-saving machinery were developed and proper tariff protection given, sisal production might readily become an important agricultural pursuit in the United States.

But there is another side to this question of adapting agriculture to industry which

merits attention. The rapid extension of industrial developments in many sections has materially changed the kind of farming done in those sections. Likewise the advent of the low-priced automobile together with high city rents and good country roads, has changed the nature of the population in large areas surrounding the towns and cities.

Greater and greater numbers of professional men and artisans are finding it advantageous to live on small farms out five, ten, even fifteen miles from the city and drive back and forth each day. Living expenses are reduced and the feeling of independence that goes with this combination of a home and a few acres, appeals to many.

The State of Michigan, for instance, increased in population 30 per cent during the decade 1910 to 1920, while the United States as a whole increased slightly less than 10 per cent. It is evident that many new opportunities to supply butter, eggs, milk, vegetables and fruits for the home market develop from year to year in a state or a section that is constantly expanding its commercial development.

Naturally the local farmers take advantage of some of these opportunities, but at present, at least, there does not seem to be any oversupply of these fresh products for the home markets. There would seem to be further opportunity for the man who will give up export crops and produce for the home market, also plenty of opportunity for more residents of crowded cities to transfer to the area within commuting distance of the cities where the small farm—5 to 10 acres—can be made to contribute materially to the living expenses as well as the health of the whole family.

American agriculture is in that unfortunate transition period during which it produces slightly too much food for the home population, yet is so far removed from the pioneer stage as to be unable to compete successfully with the newer lands in supplying the bread and meat crops for the immense foreign markets.

Matters will cure themselves when we cease to export and our agriculture is on a strictly home market basis. But this takes time. A relatively slight development along the lines above suggested—growing more of the raw materials needed by our industries, and spreading the cities out over the country—would throw the balance quickly and relieve American agriculture from the depressing effects of the prevailing low-priced foreign markets.



Georgia Rolls Up Her Sleeves

By MERLE THORPE

YOU HEAR a lot about the "new" South — about the industrialization of Alabama, Georgia, the Carolinas. More and more surplus money from the North, they say, now turns south for investment in shops, cotton mills, mines, forests, power projects and farms; the break-up of big land holdings has begun. Even some leisurely old aristocrats are quitting the easy plantation life, we hear, to build furniture factories or kaolin plants, to breed beef cattle, or delve in diversified farming.

Cotton is no longer king, others say. A period of low prices; the evil, voracious weevil; negroes moving north—all these woes have upset an ancient balance of nature. Fading, and fading fast, sob the sentimentalist, is that romantic plantation life long so dear to stage and fiction, wherein the gallant southern gentleman rode to hounds, swung a nifty julep and was fondly adored by faithful blacks who picked cotton by day and banjos by night. Even the picturesque mountain men, we hear, are swapping their lean dogs and long guns for tin flivvers and moving down to mill towns for work in shops at \$4 a day.

These stories, and similar, have been filtering north for a twelvemonth. To find the facts, to learn at first hand something about these economic changes which folks say are sweeping the South, I took a train for Georgia. In ten years I had not seen this historic commonwealth, where de Soto—in quest of a fabulous fountain—paused long enough to give a wounded Indian the first Christian baptism celebrated in America; where Oglethorpe set up that staunch colony which later formed one of the original thirteen states.

Atlanta I saw first, as most men do who go to Georgia. Now the history of Paris, we're told, is the history of France. The story of Atlanta, however, is far from the story of Georgia. Here are no signs that Georgia ever was sick; here, only signs of astounding growth, of amazing financial strength—bank clearings last year of nearly three billion!

Yet Atlanta, in and of Georgia, lends its money-power to strengthen banks, business and farmers throughout the state. Let us feel, then, of Atlanta's commercial muscles; let us thump its financial chest, and count its trade pulse. What manner of economic giant is this, anyway, spawned so suddenly in the midst of what so long we foolishly called the sleepy old South?

Today 600 outside firms, awake to opportunity, keep offices in Atlanta, with agents to handle southern business. Some own their own buildings; 150 have warehouses. Ford's plant works 725 men. In the last year the Chamber of Commerce "induced various concerns to set up plants in Atlanta and Georgia," says B. S. Barker, secretary. Among these

were the General Electric, Montgomery Ward and Co., the Howe Scales Co., an enlargement of the Ford plant, and many new hotels. "These represent the expenditure of millions," adds Mr. Barker, "and the employment of thousands of individuals. Besides, we have brought to Atlanta about thirty plants working from twenty-five to fifty people each; also fifteen firms that have opened large warehouses, and, perhaps, forty to fifty agents of large manufacturers who send out from here salesmen who cover the southern territory.

"Then, too, an industrial survey, made by the chamber, was of much help in locating several large textile plants in Georgia. Our chamber also helped with funds to carry on the program of balanced and diversified farming, as planned by the Georgia Association."

Today the new Atlanta-Lowry Bank, with an invested capital of about \$10,000,000, is said to be the largest bank south of Philadelphia and east of the Mississippi. Atlanta's new Hurt Building is the eighth largest office structure in America. Eighteen thousand Atlanta people work in the insurance business, and last year the 21,000 miles of railway that serve the city hauled in 80,000 delegates to attend the 300 conventions staged in Atlanta.

To house its guests Atlanta is spending millions on new hotels, such as the Biltmore, the Robert Fulton, the Henry Grady. To ease its traffic jam, it boldly spent a million to throw the new Spring Street viaduct across the railroad tracks. What with its \$6,000,000 Biltmore, a dozen buildings of from five to ten, even seventeen stories, as well as nearly 2,000 dwellings and apartments, Atlanta's building program last year passed the \$27,000,000 mark.

Between Boston and Richmond lies the greatest meat-consuming section in the States. Till now most meat sold here has come from the Middle West. Bent on getting some of this business, Atlanta packers, backed by Atlanta banks, are enlarging their plant; finished, it will be the greatest in the South, and will make Atlanta a greater market for southern live-stock growers.

Atlanta is at the hub of the inter-connected transmission systems of the water-power companies of the Southeast, extending over five states and coordinating the rainfall of three separate and distinct watersheds or rainfall regions, which companies have a total installed hydro-electric and steam-power capacity of 1,350,000 horsepower!

A few miles away are great stores of marble, granite and limestone. From here Washington got marble for some of its buildings. Natural resources abound about the city—ideal locations for cotton mills, finishing plants, preserve and pickle works, potteries, linoleum plants, glass and pigment factories, using cheap hydro-electric power and being close to raw materials. To the south I saw great forests of long-leaf yellow pine; to the north and west the hardwoods and cedars of North Georgia and Tennessee, Kentucky and West Virginia. The annual value of southern lumber is over \$450,000,000 plus over \$25,000,000 for naval stores. Georgia mines produce asbestos, barytes for making paints, bauxite for aluminum, as well as coal, iron, corundum, fuller's earth, kaolin, pyrites, road-building stone, mica, copper, and some gold. At the Tennessee-Georgia line sulphuric acid is made from



Erected to the Boll Weevil

*In Profound Appreciation
Of The Boll Weevil
And What It Has Done
At The Herald of Prosperity
This Monument Is Erected*

*By The Citizens Of
Enterprise, Coffee County, Alabama.*

WHY is the Mexican boll weevil considered a blessing?—Because it has taken out of slavery hundreds of thousands and even millions of farmers who knew how to raise nothing but cotton and who did it at a loss three years out of ten, eking out only a frugal living the other seven years. The lesson of diversified farming was learned when forced upon the farmer by the devastating effect of the boll weevil, a lesson which would never have been taught had it not been for the weevil.

smelter fume in the manufacture of copper.

Atlanta is the undisputed fire insurance center of our Southeast. It will surprise you, I think, as it did me, to learn that it is our fourth largest insurance center. Fifty home and foreign companies have offices here; here is also located the Southeastern Underwriters Association, its field force engaged in the determination and supervision of rates and forms, and furnishing engineering service over the entire southern field. Here, too, is the Southern Adjustment Bureau. Twenty-five million dollars a year in premiums is paid through Atlanta.

It is easily the financial and commercial center of the South. Famous clubs it has, and riders, and hunters; it drinks coca-cola, and is a bit meticulous in its choice of opera singers. And then, it has Stone Mountain. Thousands flock out there to watch Gutzon Borglum carve the giant figure of Lee. Tourists swarm there, as at Mount



The Boll Weevil Spreads by Flight

Adult
Boll
Weevil
Feeding



Vernon. This heroic group forms one of the greatest works of sculpture in the world. It's gigantic! The crown of Lee's hat is 28 feet high. His whole figure, on horseback, will be as high as a 15-story building. No graven image anywhere can compare with this. With Lee in the central group will be six other figures of similar magnitude, including Jeff Davis and Stonewall Jackson. It will take seven years yet to complete this astounding sculpture, and it will cost \$3,500,000.

As I say, Atlanta has outstripped Georgia, just as St. Louis and Kansas City long ago outgrew Missouri. Yet in the state at large, Hal M. Stanley, commissioner of commerce and labor, told me, important industrial developments are under way—aided directly or indirectly by Atlanta—which will go far toward relieving the depression incident to an all-agricultural state. A certain eastern corporation is to build at Dalton, Georgia, a \$2,000,000 thread mill. The U. S. Dyeing and Finishing Co. has let a contract for a \$1,000,000 plant at Cedartown.

"These mills will enable the state to have its goods bleached and dyed right at home. There have been many cases where goods were made in Georgia, shipped to the East and finished, and then sent back here to be sold," explains Mr. Stanley.

Capital Flowing In

LAST YEAR the plant of the Smithfield Extract Company was moved from North Carolina to Helen, Georgia. The owners bought 42,000 acres of timber, and now make acid for tanning purposes. Another development was that made by the Dunlevie Lumber Co., in Liberty County. It set up a plant to distill turpentine from stumps.

As evidence that outside capital is coming into Georgia, I was told that numerous additions were made to Georgia textile mills in 1923, many of which are owned by outsiders. The International Textile Mills at Hogansville built a new \$2,000,000 mill that is now in operation, employing four to five hundred hands. At Canton the Canton Mills also built a \$2,000,000 plant, which is to have 750 looms and 22,500 spindles. It was scheduled to start work early this year with 650

to 700 hands employed. At Rome the Chester Mills installed a new plant. Various other mills enlarged or added new equipment. At Dublin the Jordan Mfg. Co. built a bobbin mill to make bobbins for use in cotton spinning.

Georgia must still import millions worth of poultry, meat and other food products—because she depended so long on cotton alone. But from President Andrew M. Soule, of the State College of Agriculture at Athens, I got proof that she is fast learning how to live from other farm products than cotton. Within the last decade, he said, the state has undergone many farm and industrial changes. Eradication of the cattle tick has stimulated the live-stock industry. Sixteen creameries made 3,500,000 pounds of butter last year. From butter and cheese, farmers increased their incomes by \$2,000,000. To handle the increasing peanut crop, wherein Georgia may soon lead, some cottonseed mills are being converted into peanut-crushing mills. From the by-product, stock feed as good as cottonseed meal is made.

By soil surveys the state college found great areas in Georgia adapted to bright leaf tobacco culture; now this industry grows fast. Last year it sold 9,191,343 pounds of bright leaf for \$3,371,000. Dr. Soule didn't say so, but let me remark that taxes spent to keep up an agriculture school like this obviously pay amazing returns!

Through pig clubs encouraged by this school, corn and hog industries are stimulated. Corn crops have been increased from the 8 to 12 bushels an acre once grown by many farmers to a yield as high as 25 to 60 bushels. The school has also shown that during many months hogs can be run on grazing crops. As a result Georgia now has over 2,000,000 hogs, and her abattoirs handle half a million home-grown animals a year.

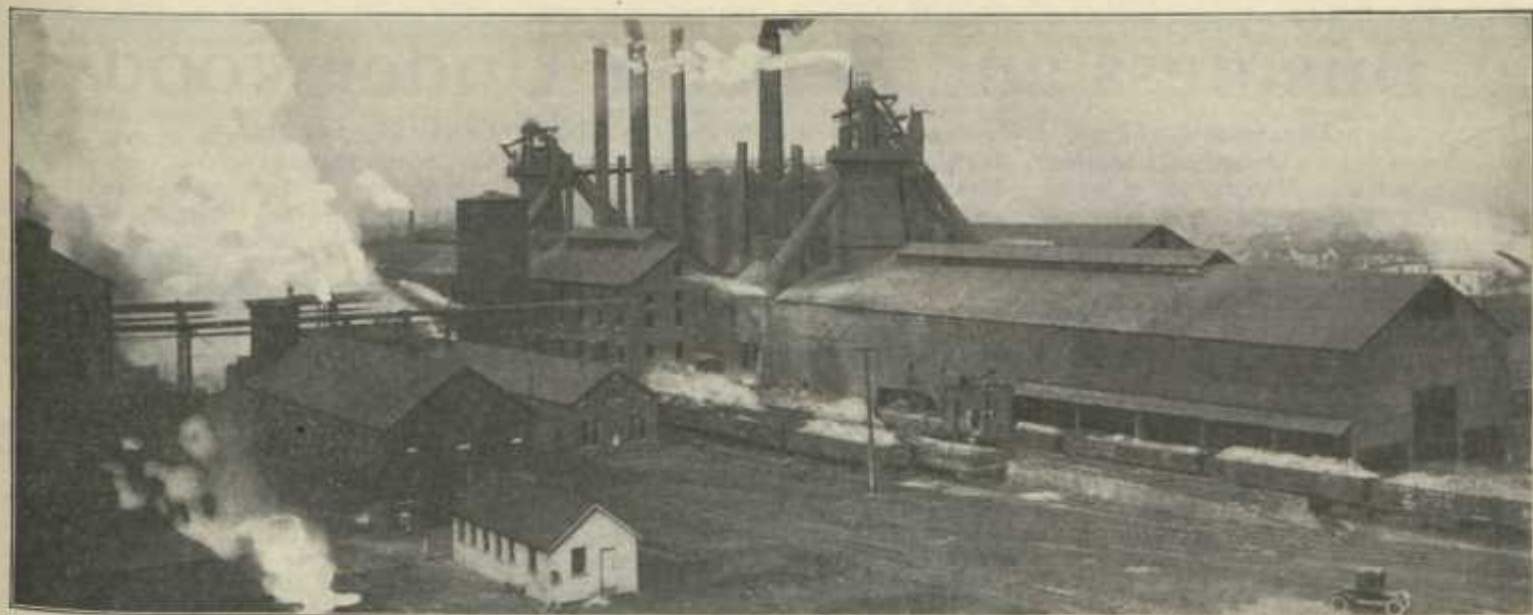
"We have demonstrated, too," says Dr. Soule, "that an old cotton plantation can be taken and made over into a stock farm. In the last sixteen years our sales of cotton from this farm have amounted in round numbers to \$25,000, as against \$175,000 worth of animal products. The college has helped demonstrate that calcium arsenate can be effectively used to minimize boll-weevil damage. The fact that our cotton crop has decreased so much in volume in the last three years is due to our

having been caught at the vortex of the weevil's onslaught. We are learning how to meet and overcome his ravages."

Dr. Soule estimates that in the last two years probably \$100,000,000 of outside money has been put into cotton mills, power plants, office buildings, urban improvements and into mineral development. Like many other well-informed Georgians with whom I talked, he believes that while negro migration tends to break up the old plantation system and has temporarily inconvenienced many people, it will in the end prove a benefit.

"The tendency now," he says, "is for more white men to buy land, and their more direct operation





of it will, in the end, result in lessening tenancy, which is always desirable."

As showing Georgia's emancipation from slavery to King Cotton, Dr. Soule points out that last year the state produced \$350,000,000 worth of farm crops and live stock; of this, only a little over \$100,000,000 was cotton.

"We grow one watermelon for every family in America—and a billion peaches a year. The fetish of all-cotton is passing. Still, those who think we cannot continue to raise our full share of the world's cotton in the future are mistaken. The dissemination and assimilation by the people of the facts now known relative to weevil control render it safe for me to make this statement. . . .

"The weevil brought a new dispensation into Georgia. The ignorant and incompetent cannot compete with him, but intelligence and brains can. The sifting out of those who are not prepared to meet and put into effect the new plans which our economic situation now makes necessary was to be expected. It had to come some time, and it is a good thing that it is now largely over. The farmers of Georgia and the people generally have regained their spirit and their confidence. Our farms will from now on be operated on a better basis. For the moment, many may not agree with me; but as a matter of fact we have gotten rid of an incubus through the migration of the less competent of our negro field hands. Skill and intelligence are to replace brawn and brute strength on our farms. With better equipment and more skilful handling of lands and industries, the amount of hand labor formerly used can be greatly minimized. I am certain that our labor supply, if properly handled, will still be found adequate to meet our needs. Our industries are growing apace. The same degree of industrial development witnessed in New England fifty or seventy-five years ago is now occurring in the South. Already our cotton mills consume more cotton than we produce. We have more than 170 of them, containing 3,000,000 spindles.

"In her quest for new ways to earn a living, Georgia finds she has perhaps the biggest body of china clay extant. From near Augusta clear to the Columbus neighborhood, a strip 250 miles long and from 20 to 40 miles wide, the vein stretches. It's from 10 to 40 feet deep. When you think of our increasing use of china clay in firebrick, white wares and in the filler trades, as in the making of oilcloth, rubber, paint, etc., and when you

recall that till now we have imported three-fourths of this clay from England, you plainly see how valuable these vast kaolin deposits must be to Georgia."

"As early as 1755," says Secretary Crites, of the Chamber of Commerce at Rome, Ga., "Sir Joshua Wedgwood, noted English maker of a china of the same name, wrote about the possibilities of pottery making in Georgia. He stated we had materials equal to, if not superior to, those in England, and expressed the fear that Georgia would cut into his trade."

City of World Trade

GEORGIA, without Savannah, would be like Italy without Naples. "Georgia's birthplace," they call this busy, beautiful seaport, because here Oglethorpe founded his colony. Though planned nearly 200 years ago, Savannah is laid out as well as any city anywhere. And no city of the world can rival it in wealth of stately shade trees, floral parks and its soothing caress of climate. Here—and to the famous Tybee seaside playground—Georgia comes to frolic. And golf! Here's a course unique indeed—its bunkers the original Confederate breastworks!

Savannah is the chief port and coast city of the South Atlantic, with direct ocean freight and passenger service with New York, Boston, Baltimore, Philadelphia and southern ports. Merchant lines tie it up with all the world. Three national motor highways lead into it, six trunk lines and railways serve it, giving a network of transport that easily makes Savannah an important distributing center for trade in the South Atlantic section. Big as its volume of business is, it still finds time to play, and clings fondly to the traditional old "two o'clock dinner"—a survival of that period when planters and traders waited till 'change closed at 2 before passing from labor to refreshment.

While Savannah's population increase in the past ten years has been only normal, its manufactured products leaped from about \$7,000,000 worth in 1913 to about \$90,000,000 last year.

"The Southeast is growing faster than even our own people realize," said F. Roger Miller, the efficient manager of the Macon chamber. This same Macon, where De Soto camped in 1540, has played star parts in the history of Georgia for a hundred years. Tecumseh, Aaron Burr, John Howard Payne, Wesley, Henry Clay, Andrew Jackson, Lafayette, all

have passed this way. Its "Wesleyan" is the oldest chartered college for women in the world. In the days of hoop skirts, top hats and beards, the first cotton fair was held here. Today Macon is equally conspicuous in the affairs of the South. Around it 20,000,000 peach trees are blooming, and here the famous Georgia Peach Growers Exchange meets to count the peaches and talk prices.

Augusta, at the head of navigation on the Savannah River, first built as a trading post, has been trading for 200 years. One building only, the early "Trustees of Georgia Colony" set up—a log enclosure 120 feet square "with walls to resist musket fire." In this same old pioneer spirit, modern Augusta boldly resisted the weevil and the adverse financial, farm and trade conditions which plagued the South in recent years. Today it is firmly on its feet with increasing bank reserves, over 120 wholesale and jobbing firms and nearly 4,000 business concerns of one kind and another. Its factories make cotton goods, brick, tiles, bedding, pottery, iron and steel ware, fertilizers, stock feed, silk, paper, railway equipment, tires, rubber goods and lumber. Its cotton mills alone run 400,000 spindles, with an output worth \$25,000,000 a year.

Such, in brief, are highlights on Georgia's economic transition, and the rise of cow, hog and hen. Much of the rumor that filters north seems true. Capital is moving south. Negro migration has depressed land values, in places, and cut the incomes of larger landholders, yet quickened the prosperity of the white who tills intensively, intelligently.

Cotton, though no longer king, is still the state's biggest crop. Slowly science smites the wicked weevil. Meanwhile, farm diversification spreads; more and more, Georgia learns to feed itself, to make money on a myriad things other than cotton. Like North Carolina, Georgia seems destined to become more and more a manufacturing state. Yet it still leads all the South in value of farm products. Weevil or no weevil, staunch, patriotic Georgia—its whites 99 per cent Anglo-Saxon—has grimly rolled up its aristocratic sleeves. It means to live, to live well, and to save money. Lots of kings have lost their jobs. Even should King Cotton lose his, Georgia will go marching on.

[EDITOR'S NOTE: In an early number Mr. Thorpe will give his impressions of Florida.]

Business and Senator Underwood

The Second of Four Articles on the Views of Political Leaders as to the Legislative Proposals Made by Julius H. Barnes in December—Another, Next Month

By JOHN CALLAN O'LAUGHLIN

An Authorized Interview

NEARLY thirty years of service in the Congress of the United States have given to Oscar W. Underwood, of Alabama, a commanding position in the affairs of the nation. Whatever may be his political future, whether he should achieve his ambition to be President of the republic or remain in the United States Senate, no one doubts, particularly in Washington, the high value of the service he will continue to render to the public.

During the years I have known him, and the period covered is the greater part of his public career, he has stood out as a man of force and decision, safe and able, with poise and discretion, always prepared for action in consonance with his responsibility to the people.

It may be said that no one in Congress is a greater student of economic questions than is Senator Underwood. His opinions based upon the information he absorbs may be wrong, but the accuracy of his facts is never doubted. Moreover, he is not the politician who thinks the whole world is under the microscope screwed in his eye. Rather is he the statesman who understands the interrelation of facts—and he formulates his views as to the effect of the facts not only upon the matter in hand, but kindred matters as well. It is this characteristic that has given him reputation for judgment and clear thinking.

There is one subject which is Mr. Underwood's special hobby: That is international finance and trade. When I asked him for comment on the article by Julius H. Barnes which appeared in the December number of *THE NATION'S BUSINESS*, he hesitated a moment and then with a vigor which caused the words fairly to leap from his mouth, he exclaimed:

"If you were to ask me to name the one thing which is most vital at this time to the prosperity and contentment of America, I should unhesitatingly tell you that there is nothing that approaches in importance the question of the international finances."

The Senator feels deeply the responsibility of the Government in this matter. He insists that its refusal to aid in the stabilization of international affairs has destroyed foreign markets for surplus American products. Until this condition is corrected, until Europe definitely is on the mend, it is the Senator's opinion that the economic situation in the United States will continue in an unsatisfactory state.

"The world is in distress because the unsettled financial conditions have made it impossible to do business," observed Mr. Underwood. "The United States is part and parcel of the world's great economic system; we cannot detach ourselves and create anything even resembling a lasting prosperity while Europe writhes in the midst of disaster and chaos. It is not a situation with which we can temporize. It confronts us right

now, and every day of delay not only adds to the economic disarrangement but multiplies the danger to civilization itself."

There is one way open, and only one, to cure the trouble, and that is through international trade, according to Senator Underwood. He contends that we must buy from Europe in order that Europe can buy from us. Permit Europe to pay us for our surplus

farm crops in goods—open up the channels of export trade to agriculture—and the problem gradually will solve itself. That is his position.

"The farmer," Mr. Underwood said, "is hardest hit. In his case the lesson is a

poignant one. The market value of his production, under existing conditions, is fixed not by the enormous amount of the results of his toil that goes into domestic commerce, but by the comparatively small amount—the surplus—that goes into export trade.

"Therefore, unless our surplus wheat, our surplus meat and our surplus cotton find a market in Europe, the prices of those commodities in the home market will go below the cost of production.

"We may adopt political expedients to produce markets—and I do not say that those expedients are often wise; but in nearly every instance they strike only at the symptoms. The disease remains.

"The United States essentially is an agricultural country; yet to an enormous extent it also is a manufacturing country. Comparatively little of America's manufactured goods are shipped abroad. They are consumed at home. And when the farmer is

prosperous, when he is able to sell the products of his fields at a good price, then the manufacturing communities also are prosperous, because they have a market in America. But when agriculture fails, distress and disaster come to manufacturing America. So

I think it can be said without contravention that, essentially, America is dependent upon agriculture for her prosperity.

"Now, what has happened? A market has failed for agriculture. To make a market somebody must want to buy and must have the price to pay. Without the desire to buy or without the ability to pay, there is no

market. Agricultural America has but one place where its great market lies. She doesn't find it in the Orient, for while the Orient may consume a small

proportion of her cotton crop, yet the Orient itself produces the food supplies that it consumes, and the same is true of South America and of Africa.

"Europe is essentially a manufacturing country. It manufactures more than any other part of the world and produces less of food products than its people need for their daily lives. So that our market is not in Asia or Africa or South America, but the market for the consumption of the surplus agricultural products of America lies in Europe and Europe alone.

"That being the case, why has the market failed? I was in Europe last spring, and traveled over a large portion of it. If you go to the great cities, the white light district where the spenders go—and there are spenders in all countries—you may not find evidences that there has been a great war. You would not imagine that men might need food or want clothes, because there the spender is reckless in his extravagance.

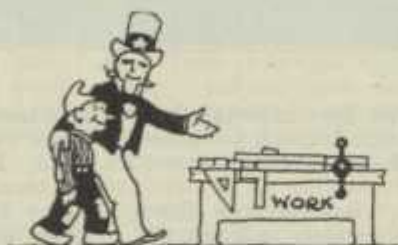
"But if you had gone with me through the hills of France and in the smaller cities and had seen the people without employment, you would have found that France and the lower portion of Europe were both cold and hungry. It is only by toil that man has an opportunity to buy, and today there are more men in the army, who are not toilers, but consumers, than there were before the Great War began.

"More than that, the ordinary opportunity to work is gone; men are idle not because they want to be, but because they have to be, because there is a lack of stability of government in Europe.

"Without stability of government there is no stability of finance, because capital is always timid; and unless capital has the protection of law, capital goes into hiding and ceases to function; and without stability of finance, there is no stability of business; and without stability of business, the man who toils with his head or his hands does not have the opportunity to work. He is idle, and in his idleness he ceases to create capital, and without that capital that the toiler creates with his labor the market fails.

"The people of Europe need clothes, they need food, they need iron and steel, they need almost everything that we produce; but they haven't the ability to supply their desires, because their capacity to earn has ceased."

Mr. Underwood asserted that the market for American products in Europe—the market now so important to prosperity in the United States—is in a state of collapse, with little promise of improvement until America adopts a policy "looking to the ultimate peace of the world and the rehabilitation of shattered financial conditions." And in assuming this duty or responsibility, Mr. Underwood de-



A HELPING HAND TO EUROPE



CREATE MARKETS ABROAD



NO SOLDIER'S BONUS

clared, it will mean, because we have a policy and the courage to express it, that we must go to war.

In connection with aid to Europe, Mr. Underwood sees no value in the Harding proposal for an international court. In his view it offers nothing to solve, or to direct towards a solution of the grave economic and financial problems which still entangle Europe. He regards America as drifting in international affairs more or less helplessly without any real policy as a guide; and he insists such a policy is paramount in importance to a court of law with its laggard delays, long-drawn-out discussions and slow deliberations.

The controversies of Europe are European and not American; and if Europe so desired it could submit them to the international court of the League of Nations of which they are members. Therefore, Senator Underwood asks, why should the United States promote another court and be drawn into the disputes which might be submitted to that court? It is his conviction that had the United States courageously thrown its full force behind a permanent, stabilizing and up-building program for the rehabilitation of Europe, the world today would be far along the path to complete peace and real prosperity.

Senator Underwood holds that proper public treatment of the railroads of the country is essential for public prosperity.

"The whole transportation question," he observed, "must be considered in a spirit of fairness both by the owners and operators of railroads and by the public. Railroad rates must reflect the added cost of operation, which has resulted largely from increased wages, high cost of fuel and supplies, and heavy taxation. Failure to do so would cause suspension of train operation and threaten bankruptcy. I am earnestly opposed to the efforts to raise false issues for the purpose of misleading public sentiment and bringing about legislation which is harmful not only to the railroads but to the people themselves. There are many good features of the Transportation Act and they should not be disturbed; and when the defects of that law are clearly shown by experience they should and undoubtedly will be corrected."

Senator Underwood realizes fully, because of its service to international trade, the value of a merchant marine. He wants to see vessels flying the American flag upon all the Seven Seas; but he does not believe this condition can be accomplished by government ownership and operation.

The Senator has never hesitated to support measures to build an American merchant marine, but as a matter of principle, during his nearly thirty years in Congress, he con-

sistently has opposed proposals looking to a government subsidy. "If the Government starts by giving a subsidy to build up one institution," he said, "then the Government will have to follow by giving subsidies to other institutions."

In the tariff bill of 1913, which Mr. Underwood sponsored in the House of Representa-

oppressive levies of taxes. The cost of government today is four times greater than it was ten years ago; and the payment of interest on debts contracted for the war does not justify any such increase.

"The power to tax carries with it the power to destroy, and there is a heavy responsibility, vested by the people in their representatives, to see that disaster does not befall us through their unwise expenditures and equally unwise tax levies. Moreover, heavy taxes operate as a drag upon private enterprise and business expansion. Our national income last year was fifty-eight billion dollars and approximately seven billions of dollars, or one-eighth of those earnings, were taken by the Government to pay its expenses. It is apparent we have reached a point where we must call a halt upon extravagance, reduce expenditures, and cut excessive rates of taxation, and through these means we can realize that sound system of finance and stability which business must have to prosper and expand, labor must have to continue in employment and agriculture must have in order to find markets."

Senator Underwood closed the interview with a statement addressed particularly to the readers of THE NATION'S BUSINESS:

"It is an unfortunate condition," he said, "that business men fail to take the interest in government which is essential for not only their own good but that of the country as a whole. So long as the republic shall endure, there will be grateful acknowledgment

exercised for the welfare of the people by the elder Adams, Washington, Franklin and Robert Morris.

"From their time, until a few decades ago, business men sought and eagerly participated in the functioning of the government. The business men of our generation have absorbed themselves in the pursuit of their private fortunes and allowed others, less experienced, less able and less visioned, to represent them.

"I realize that from some points of view public service is ungrateful; that the incumbents of public office get scant praise, and oftentimes are subject to sharp and unjust criticism, and—on rare occasions—are destroyed by popular distemper. But there is an inner satisfaction in faithful conduct, and the duty of every man is to serve his fellows.

"I sincerely wish THE NATION'S BUSINESS would urge its business readers to take stock

of their responsibility to the government and induce them to give their intellect, their experience and their time to the solution of the tremendous economic problems which confront the country. These men

can and would do much toward directing us on the way to enduring peace and the happiness and security which we must have."



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Senator Oscar W. Underwood

tives, he inserted a provision giving a discriminating duty in favor of goods shipped in American bottoms. Such a policy today, he thinks, would be advantageous to the upbuilding of a merchant marine.

Reduction of taxes, revision of the tariff, opposition to the soldiers' bonus, elimination of a governmental bureaucracy which is strangling in its effect upon the administration of public affairs, and reversion to states' rights—these are some of the things also for which Mr. Underwood stands.

"Strictest economy must and should be demanded of the government, whether federal, state, or municipal," he declared. "We are overburdened by extravagant appropriations of public money, and this has resulted in reckless and



ECONOMY AND TAX CUT



AMERICAN MERCHANT MARINE PRIVATELY OWNED

Ayres, Who Figures for the U. S.



Col. L. P. Ayres

THIS is the tale of the evolution of a professional bicycle-rider who became a banker. To be exact, our hero should begin as scene-shifter in a theater—for that is where he *did* begin earning his living. However, to simplify the story, and also in the interest of alliteration, we shall consider the career of Leonard P.

Ayres as starting back in the late 90's when he was a trick bicycle-rider.

Today, as vice-president of the Cleveland Trust Company and director of the bank's statistical work, Ayres is one of the best paid and perhaps the most ingenious statistician in the figuring industry. At the present writing Ayres is statistical expert—loaned by the Cleveland bank—to the Dawes commission now in Europe investigating the ability of Germany to pay her debts.

Germany's war and after-war problems have been interwoven in Ayres' career as definitely as the symbolic design in an antique oriental rug. When the United States entered the World War, he was director of the educational division of the Russell Sage Foundation.

He went to Washington seeking an opportunity to do any kind of statistical chores, no matter how menial, for the Council of National Defense. Everybody assured him that he had not the slightest need of a statistician—that, indeed, that was the very thing he needed everything else but.

Ayres paid no heed to this but went right ahead with his plans to be a war statistician. One morning he noticed a lot of workmen shoving furniture about, rearranging the Council's offices. Without stopping to ask questions, Ayres took off his coat and collar, rolled up his sleeves and tried to look like a furniture mover. All afternoon he helped move office furniture.

In the general excitement and confusion he managed to pick out a nice little desk and a quiet corner for himself. Before going out that evening he tacked a card on the desk reading: *Dr. Ayres—Division of Statistics*. Later he got permission to stay there temporarily. He had never before used the "Dr." title, though he had long been the proprietor of a Ph.D. degree; but here he thought was a time when one should not overlook any bets.

Somebody noticed that there was a division of statistics and sent back an inquiry involving a tedious investigation that nobody else seemed keen about undertaking. Ayres bustled about and got the desired information. Other inquiries came about the extent of certain phases of preparation and Ayres discovered this basic principle of gathering information:

Knowledge is like money. If you have a little you can make a quick turnover and get more. The less you know, the harder it is to find out anything.

Before long, Ayres had collected more information about our state of preparation than was possessed by anybody else. He prepared a highly confidential report twice each week and made four copies of it which he ground out of a wheezy old typewriter. These four copies were sent to the Director of the Council of National Defense, the Chief of Staff

By FRED C. KELLY

of the Army, the Secretary of War, and the War Industries Board.

The General Staff decided that his work was of too confidential a nature to be performed by a civilian and that he must be in uniform, subject to military control. They made him a lieutenant-colonel, in charge of their statistical branch—thereby shattering a precedent, for no officer from civilian life had ever before been placed in charge of a branch of the General Staff.

But this was by no means all. He was called upon to organize and head the statistical work of the War Industries Board, the Priorities Board and the Allies' Purchasing Commission.

General Pershing had become so impressed with Ayres' statistical charts of the progress of the war that he kept cabling for more information from him and finally ordered him to come to France as chief statistical officer of the American Expeditionary Force. After the armistice Ayres became chief statistical officer of the American Commission to Negotiate Peace. He was decorated with a Distinguished Service Medal.

Back in 1902, with no motive other than the search for adventure, Ayres drifted down to Porto Rico and got a job teaching school. Four years later he was general superintendent of schools in Porto Rico. From Porto Rico he went to New York to become educational director of the Russell Sage Foundation, and it was while on that job that he performed a feat which greatly changed the teaching of spelling.

While visiting a school in a mid-western city Ayres chanced to listen to a spelling test given to a group of seventh-grade children. He took down the words as they were read by the teacher. When he later corrected his paper, he discovered that he had failed on about half the words. This set him to thinking.

In looking over the list, he observed that many of the words he never before had heard of. There were two or three names of flowers, and they were not even well-known flowers. No wonder he missed them! But even if he *did* know how to spell

them, what good would it do him? He might never again have occasion to spell them. He picked up a school spelling book and found an astonishingly large number of words that are rarely used. It occurred to him that if a youngster in school were drilled on words that he would often use in after years, instead of words that were merely difficult but seldom encountered, the information thus gained might come in handy in after life.

By tabulation of thousands of words used in letters written by all sorts of people, Ayres found out exactly what words are most used in everyday affairs. He learned that 10 per cent of all the words we write are repetitions

of the and and; nine common words make up one-fourth of all we use and nine-tenths of all the words ordinarily employed by an average individual may be found in a list of one thousand words.

Every spelling book published since Ayres' investigation has its contents based on which words are most needed instead of which are most difficult. Ayres' monograph, "Laggards in Our Schools," in which he showed that the average youngster left school without even completing the sixth grade, started an uproar in the educational world.

Three or four years ago, when Ayres went from the Russell Sage Foundation to become vice-president of the Cleveland Trust Company, he shifted his statistical talents from education to economics. The world of finance was entirely new to him. Consequently he was able to study price trends with an open mind and to reduce his facts to their simplest terms. One of his discoveries is that there is available for any small investor a fairly dependable barometer of what may be expected in the stock market. This barometer is the interest rate on short-time loans by banks—sixty- and ninety-day money loaned to business men. When the interest rate for such loans is higher than the interest rate on bonds, stock prices may be expected to drop.

Early in February, 1922, after a study of price movements in the past, Ayres predicted that bonds would reach their maximum price some time in the following September. Now it is easy to make a prediction and whisper it quietly to one or two friends, but Ayres had such confidence in his figures that he put his prediction into type and made it public. Bonds *did* reach their highest price on September 15. He predicted last spring, nearly six months in advance, that the low point in bond prices in the present business cycle would be reached in the first week of October, 1923. The low point actually was reached on October 2!

No statistical job is too big or too trivial for Ayres to tackle. He once made a study of the relations between band music and the speed of six-day bicycle-racers. Another study was of the relative wearing qualities of four fifty-cent neckties against one at \$2; also how

a pair of \$10 shoes wears in comparison with two pairs of \$5 shoes. Whenever he goes to a public meeting, he follows a habit of timing each speaker and figuring out how many minutes of talk were required for each idea.

As a sample of Ayres' gift for analyzing everyday human problems, listen to him expound his theory of the controlling factor that enables one man to earn more money than another:

"I believe," he said to me, "that there is such a controlling factor and that it consists in the ability to influence the actions of others. It may be described more fully as the ability to see things from the other person's point of view, and to persuade the other person to see things from



Colonel Ayres first figured in life as a trick bicycle-rider



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Reparations Committee of Experts in First Meeting

The unofficial international committee of financial experts, appointed to straighten out the Reparations tangle. From left to right: Emile Francqui, vice-governor of the Societe Generale, Baron Maurice Houtart, banker, Belgium; Prof. Allin of the Law School of Paris, and M. Parmentier, administrator of the Credit Foncier, General Charles G. Dawes (Chairman)

and Owen D. Young of the General Electric Company, New York; Sir Robert Molesworth Kindersley, Director of the Bank of England, and Sir Josiah Charles Stamp, Secretary of Nobel Industries, Ltd., Great Britain; Alberto Pirello and Frederico Flona, professor of financial science at the University of Bologna, Italy.

your point of view. If we analyze carefully the reasons for the different grades of remuneration within the same profession, I think we shall find that those who receive the highest salaries usually owe their success primarily to their skill in dealing with people, and only in secondary degree to their knowledge, or to their intellectual capacity to deal with abstract concepts. This principle is well illustrated in my own profession of statistics.

"There are many good statisticians in this country, and most of them are not well paid. But from time to time some member of the profession demonstrates his ability to write about his investigations interestingly and convincingly, and when he develops that power he immediately moves into a higher salary range. He is often no more skilled in statistics than he was before, but he has learned to use his material to influence others; that has increased his value and his earning power.

"Even in manufacturing industries illustrations of the same sort continually appear. The father of one of my assistants acquired a small varnish factory many years ago in partial payment of a bad debt, and found among the assets a barrel of gum that had been sent north by an exporting house in the tropics to find out whether it was of any value. He soon decided that it was no good as a constituent of varnish, and entered upon a prolonged series of experiments to see whether or not it could be manufactured into chewing gum. Eventually he found out how to flavor it, and he invented machines which rolled it into strips and wrapped them in packages so that the product was a commercially successful confection.

"After the new business had been run in a modest way for some time, he sold it and his machines to a Chicago man named Wrigley, who proceeded to tell the whole world how the flavor lasts, and rapidly built up a great fortune from the proceeds. It was the father of my assistant who had the knowledge and technique, but it was the gentleman from Chicago who had the ability to influence the actions of his fellow-beings, and he reaped the rewards.

"In some fields the rewards that go to the man of surpassing skill are almost absurdly

great, but these highest prices are paid only for the exhibitions of ability that are of such a sort to stir the emotions of those who pay to be present.

"The champion heavy-weight pugilist may receive a half-million dollars for a few minutes of strenuous work. His training partners, who are nearly as adept as he is, may, if they are fortunate, receive one one-hundredth as much for taking part in a similar contest.

"Now, ability to influence the actions of others is not a substitute for skill and knowledge; it is merely an important supplementary quality which largely determines how effectively the possessor can take advantage of his opportunities. The young man in business, the lawyer, the clergyman, the statistician, the doctor and the manufacturer must all master the techniques of their jobs if they are to do well. There is no substitute for that knowledge.

The Talent for Pleasing

"BUT WHEN that grasp and insight have been attained I think it will still be true that this additional quality that I have been talking about will be the conditioning factor which determines the market value of his services. We have in English no word or term which describes that quality. The Spanish have one which means the *gift of people* and they think of it as a clearly definable characteristic, like courage, perseverance, or honesty.

"A colonel in the army told me about his first meeting with a certain general. He said: 'I came away feeling that he was the greatest man in the world, and that I was the next greatest.' That illustrates what I mean by the gift of people.

"During the war it was my duty to furnish a part of the fact basis for the thinking and acting of military, naval and industrial leaders who met in conference in Washington and, later, in France to decide on policies. It was my good fortune to be present at a great number of meetings in which the country's foremost military and industrial leaders strove to solve the problems of those trying days.

"These circumstances afforded an unusual

opportunity to observe acknowledged leaders in action, and to attempt to discover what are the qualities of leadership. After much careful observation I came to the conclusion that, despite all the apparent contradictions of observable evidence, there are four characteristics that are shared in common by almost all real leaders.

"In the first place, and as a solid foundation for their other qualities, they possess knowledge of the field in which they work. They do not always have greater knowledge of their own specialties than others in the same occupations, but they do have enough general grasp and special technique to enable them to take advantage of new opportunities.

"In the second place, leaders have courage, and in part they have it because they know their jobs. The man who is doubtful is sure to be slow and timid, while the one who knows that he knows is prompt and courageous. But leaders have an additional sort of courage which consists in being willing to take a chance. They try to be sure about what is the best thing to do, and when that is impossible they act as if they were sure and go ahead anyway.

"A third quality is activity, and this in turn is partly dependent on their courage. They are continually doing something. If they do not know what to do in a situation that demands action, they do something. By doing something all the time, and being right part of the time, they get a great deal accomplished.

"The fourth common quality of leadership is the one I have characterized as being the controlling factor in the power to earn—the gift of people. The exercise of this quality largely depends on the ability to speak and write. One thing that leaders can always do is to communicate their thoughts to others, and this is true even when they have the reputation of being characteristically taciturn. To the man who can express his thoughts to influence the rest of us, society gives great rewards.

In appearance Ayres is a quiet, meek little man such as one might expect to find behind the second chair in a small-town barber shop.

The NATION'S BUSINESS

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MERLE THORPE, Editor

Washington

April, 1924



More Government in Business

A MONOPOLISTIC federal fund for the payment of compensation to insured employes in the District of Columbia is again proposed by Mr. Fitzgerald, representative in the Congress from the Third District of Ohio. His bill was defeated last year. The Chamber of Commerce of the United States has consistently opposed the monopolistic provisions of the Fitzgerald bill since they were first proposed, and it will continue to oppose them on the ground that they would put the Government in the insurance business to the exclusion of all types of private insurance.

Monopolistic state fund insurance has been tried in several of the states and found wanting both in service and in economy. Apart from the possibilities of political exploitation, proposals for monopolistic state fund insurance of workmen's compensation foreshadow further encroachments on the domain of private business. The reasons that are urged in behalf of monopolizing this branch of insurance could apply with equal force to every form of competitive individual enterprise. With this measure as an entering wedge, the whole economic structure would be susceptible to further unjustifiable intrusions of government.

The business community should be vigilant to prevent the blunder in prospect through the re-introduction of the Fitzgerald bill.

A Tariff Slowly Flexible

THE FLEXIBLE tariff has been brought to the test of trial at last. Since September, 1922, the President has had authority to change duties, by not more than a half, in order to equalize shifting costs of production here and abroad, but could exercise his power only after the Tariff Commission had made investigations and conducted hearings.

The proceeding which has now resulted in a Presidential proclamation under the flexible tariff did not augur any too well in its initial stages. On November 15, when the commission announced it had begun an investigation with respect to wheat, as grown in our northwestern states and Canada, it took the unusual course of adding a statement to the public in which it laid stress upon the time its procedure would occupy.

It deprecated "groundless anticipations" of "what is or what is not feasible" under the flexible tariff. This was a kind of double-barreled slingshot, designed to kill two birds at once, both the optimists and the pessimists.

The commission began with a preliminary hearing on November 26, and followed it with an expedition of its own men, under one of the commissioners, into the field, both in our spring-wheat states and in Canada. By February the commission had the material in hand regarding wheat, flour, and mill feeds, and made it available for discussion at hearings which opened on February 18.

It seems that the commission concluded that there was a basis for exercise of the President's power by increasing duties on wheat and flour and decreasing them on mill feeds. The commission appears to have been unable, however, to decide for

some time how it would place its conclusions before the President. Eventually, though, all Gordian knots are cut, and on March 7 the President issued his proclamation, invoking for the first time the use of the flexible tariff.

On April 6, therefore, the duty on wheat will be increased from 30 to 42 cents a bushel, the duty on flour will rise from 78 cents to \$1.04 a hundred pounds, and the duty for bran and other by-product feeds produced in milling wheat will fall from 15 per cent ad valorem to 7½ per cent. In other words, the President has not used his full authority in the case of wheat by 3 cents and has raised the duty on flour to accord with the increase on wheat, but has gone to the full extent allowed him in reducing the duty on feeds, cutting it by 50 per cent.

With the issue of the President's proclamation changing the duty on wheat the Tariff Commission does not find itself unoccupied. On March 27, exactly one year after it began its study at request of the President, it will be holding hearings upon data it has collected about costs of producing sugar. Of old, at any rate, sugar has been a deal more provocative of controversy than wheat.

The Habeas Corpus Route to America

HABEAS corpus turns out to be the alien's friend. An alien came properly into the United States, and then asked admission of his wife and children. The immigration authorities pointed to a full quota. The alien hired an attorney who obtained a writ of habeas corpus and won for his client's family on the ground that the quota law is only supplemental to the immigration law of 1917, under which the family could enter the country.

Possibly having heard of the achievement, but more probably in blissful ignorance of it, another alien sailed abroad, took to himself a bride, and appeared with her at the gates of Ellis Island after the quota was filled. Again the authorities were hostile, and again the writ of habeas corpus succeeded.

A longshoreman was the next alien to have a contest with the law. After getting into the United States, he acquired a proxy bride in Spain. Although the Spanish quota was filled when the bride appeared on our shores for the first glimpse of her husband, the writ of habeas corpus helped her, too. To cap the climax, however, or possibly to exact revenge, the immigration authorities looked into the longshoreman's past, discovered he had obtained his own entrance by fraud, and deported him to foreign parts, bride or no bride.

The damage the writ of habeas corpus has been doing to the quota law is now before the Supreme Court.

Vexing Questions of Ocean Rates

OCEAN rates are getting much attention in the early spring of 1924. There is the question of rates by rail from the Middle West to the Pacific coast in competition with rates by rail to the east coast and thence by intercoastal steamers. The Shipping Board has formally protested to the Interstate Commerce Commission against the commission permitting any such rail rates as the railroads wish to put into effect.

Against an increase of 10 cents a hundred pounds for transporting American food products across the Atlantic the Secretary of Agriculture has protested. The steamship owners have said the increase is necessary that they may avoid loss.

As the Shipping Board announces that, since divorcing the Fleet Corporation the board is better able to proceed vigorously with exercise of its original functions, it may find a way to look into the ocean rates on pork products and find whether or not the Secretary of Agriculture is right in saying the American farmer pays the freight. However that may be, the board has found time to start events happening under Section 28 of the

Merchant Marine Act. Since 1920 this section has been kept out of action by certificates from the board to the Interstate Commerce Commission, saying in effect that American vessels did not provide in themselves adequate shipping facilities for our commerce.

At the end of February, however, the board made a certificate to the opposite effect. It told the Interstate Commerce Commission that adequate shipping facilities now exist in vessels flying the American flag to handle all commodities across the North Atlantic except grain. As a consequence, the Commerce Commission on March 11 announced that after May 20 inland shipments going to Europe will move at rail export rates only when the vessel to perform the ocean transportation is American.

If they are to be shipped on a vessel flying another flag they will take, for the rail part of the journey, the higher domestic rate for the rail haul to the port. This discrimination in the rail rates, of course, is intended to benefit American ships.

Possibly, we are coming into an era when ocean rates will occupy a lot of our attention.

Cotton, Cotton, Who Had the 579,000 Bales?

A BALE of cotton is a pretty sizable object, and 579,000 of them are certainly a lot to drift in from nowhere.

That is apparently the point of view of some of the cotton people. When the Bureau of the Census reported that as of the end of last July 579,000 bales of cotton more had been accounted for in consumption and distribution than there had been in the statistics to distribute, everybody agreed the figure was pretty high. There always has been a discrepancy between the bales counted as they go into our cotton mills and go aboard ship for foreign destinations and the figures for the total supplies. In no earlier year, however, had the discrepancy got above 340,000 bales.

There are clues to the origin of these numerous bales of cotton which do not appear in the statistics until the cotton migrates from the country or gets started into the process of manufacture. These clues the Bureau of the Census has always faithfully recorded. For example, there is no way of making sure that warehousemen and other people holding cotton return precise figures, and small errors here and there would produce large total mistakes.

Besides, there is the "city" crop of cotton. Everybody seems to know it is a pretty big crop, but exactly how large it is there is no way of telling. It has its origin in the cotton plucked from "country" bales as samples. These samples are ordinarily garnered, baled, and started on their way as new bales of cotton. How many of them there are nobody has ever been able to count. Thus, they make a contribution to the inaccuracy of the figures when there is an attempt to balance supplies of cotton against cotton going into the channels of distribution.

On February 28 the Secre-

tary of Commerce announced that he had appointed a committee of statisticians, and asked them to make an investigation and recommend any changes in statistical methods, or any new legislation that might tend to assist in an exact enumeration of the bales of cotton. It will be interesting to see how far these independent statisticians can go toward getting an exact tally.

Collapsible Currency

CONCERTINA currency is the characterization given by Hartley Withers to sundry brands of currency which in recent years have been advocated by various people as "substitutes" for gold-standard money and described not only as "just as good" but as "scientific." Mr. Withers is a financial writer of experience and does not hesitate to break a lance, or a whole sheaf of lances, with our own Professor Irving Fisher, the Swedish savant Professor Cassel, or Mr. J. M. Keynes who has insisted upon stirring things up in England.

That the gold standard should be abolished and a "scientific" currency should be substituted Mr. Withers believes is the opinion chiefly of theoretical economists, who begin with the quantity theory of money and proceed to argue that the level of prices depends upon the relation between the volume of money coming forward to buy goods and the volume of goods coming forward to be bought. The economists at whom Mr. Withers aims his sarcasm accordingly reason that the only thing we have to do in order to maintain a stable price level is to regulate the amount of money to the fluctuating quantity of goods.

"Beautiful in theory," exclaims Mr. Withers, and as wonderfully simple in conception as one of these modern American contraptions which one sets, each morning immediately after breakfast, in order to keep the heat of his residence "normal" during the whole day. From this point of view, the only difficulty is that the ingenious scheme would not work. He remembers in the first place that there is a "velocity" of circu-

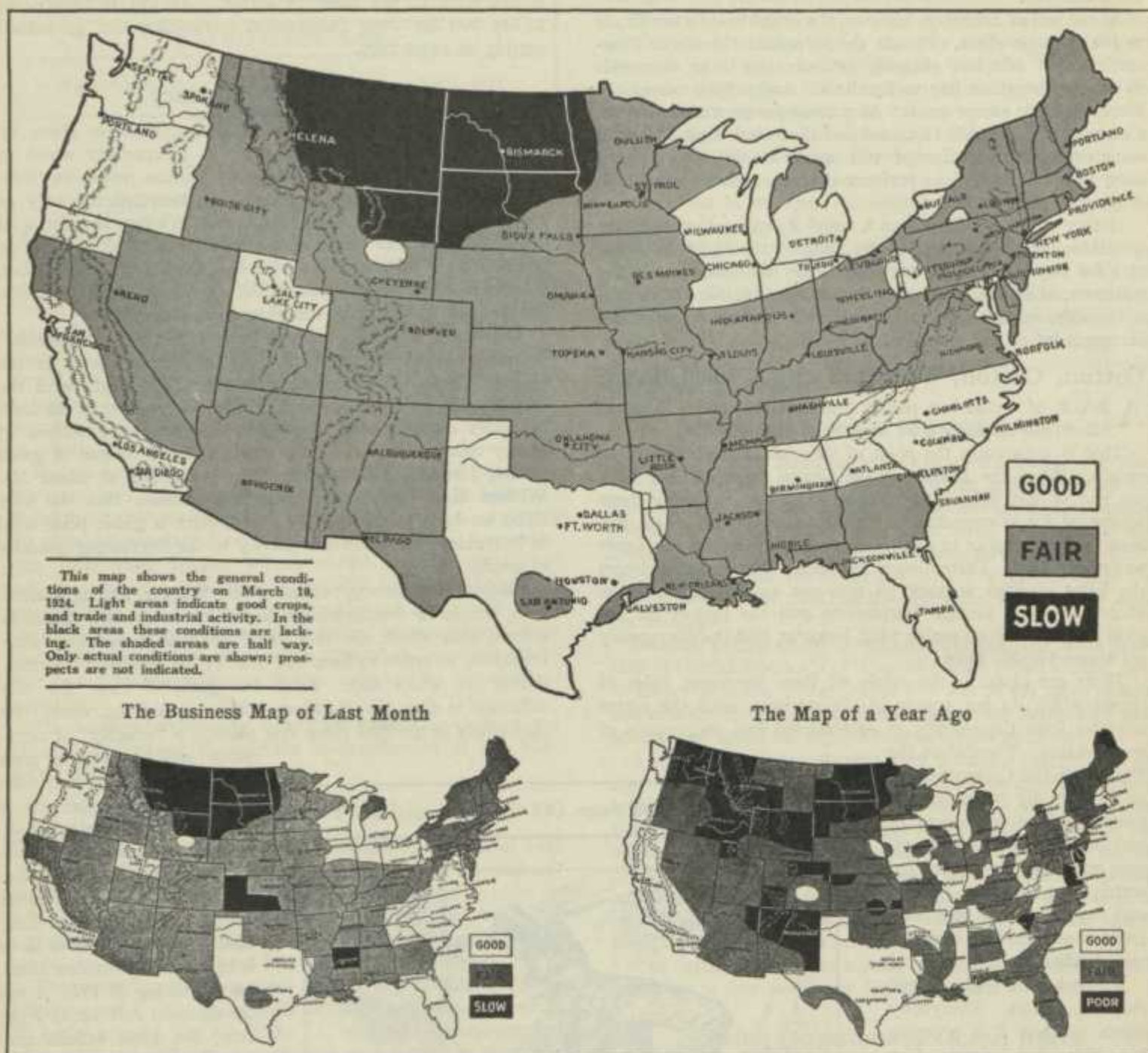
lation which makes a great difference in effective circulation. He then goes on to point out that the actual business of expansion and contraction is not so easy to manage as some folk imagine. The most the Bank of England has ever been able to do is to exercise a braking effect. In the spring of 1920 it ran the discount rate up to 7 per cent, but bank deficits continued to increase until the end of 1920. In 1922 credit in England contracted in the face of a declining bank rate, which went down to 3 per cent.

Going back to days before the war for data, Mr. Withers finds the same lack of correspondence between the hard facts of experience and the theory of stabilizing the price level by inventing a "scientific" substitute for the gold standard. Reverting to a musical simile, he likens advocacy of the "scientific" theory to playing the concertina.

The Same Old Game



The Map of the Nation's Business



TRADER is good in some spots, fair in most instances, while in others it is undeniably slow. General characterization is difficult notwithstanding that most measures of movement show a big, though not in all cases a record, volume. There is no great onward sweep such as was seen say a year ago, nor such as was witnessed on the rebound from the disastrous coal strike embargo in the autumn of 1922.

In some cases the volume or value of trade does not show the full normal growth that should come with the yearly growth in population. Part of this is due to its being a sort of slackwater period, with all that this implies in the way of winter buying having about been finished while spring buying at retail is yet to develop.

Part of our business troubles, too, may be charged to politics breeding uncertainty, as for instance in regard to future taxes; but the

By FRANK GREENE

Managing Editor, "Bradstreet's"

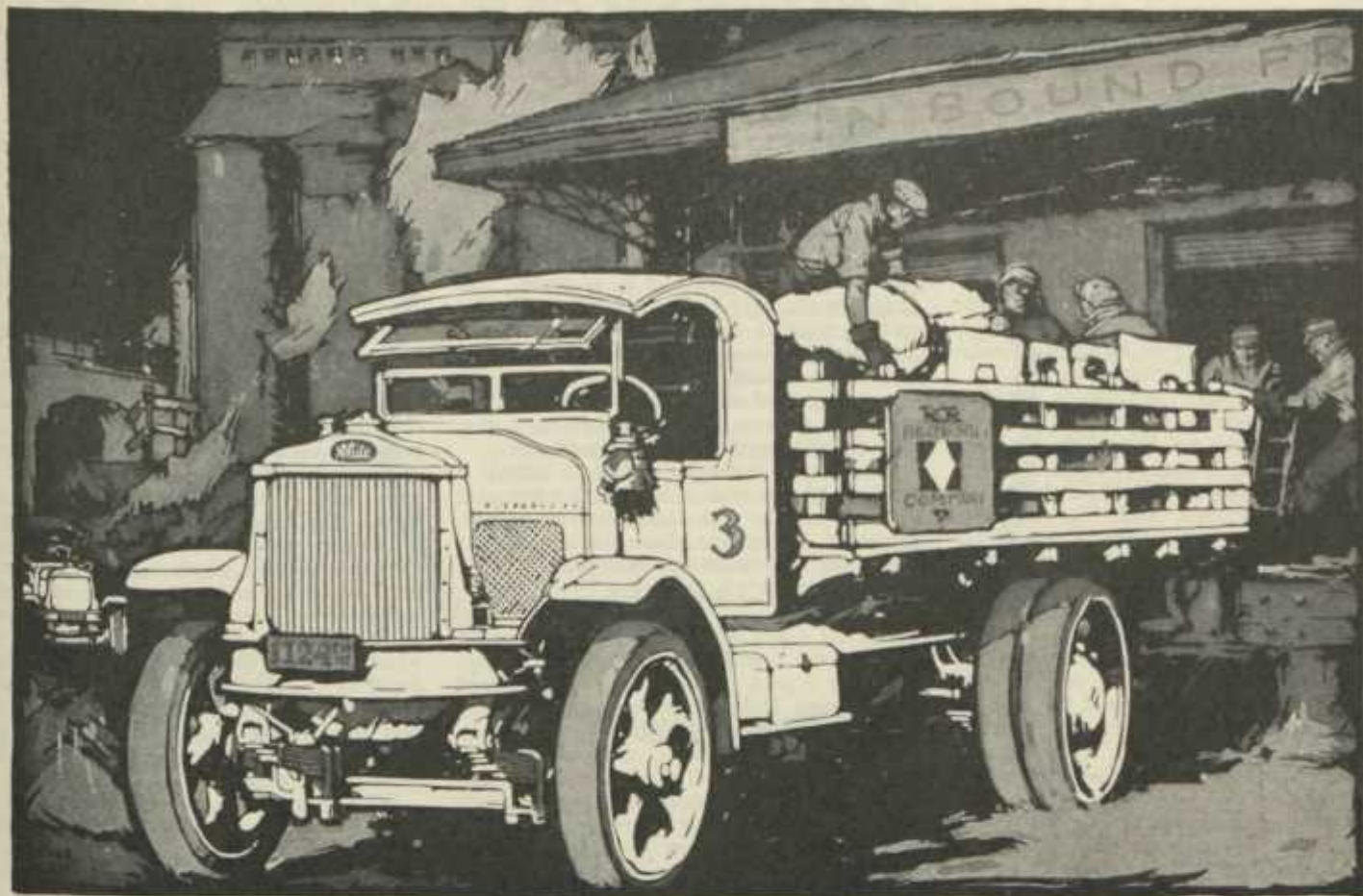
comparative mildness of the winter, with the inevitable bad roads in many areas, has not been favorable in many districts to profitable final distribution of heavy goods. Price uncertainties have been and are to be reckoned with, these more particularly touching the willingness of buyers to operate freely for spring or beyond. Never before have purchasers gone ahead so carefully and "watched their steps." Nevertheless a big business is being done.

It has not been entirely a "winter of our discontent," some lines having done well, while others have done rather poorly. If a classification were to be attempted, it would still be along lines previously noted. The big constructive trades—automobiles, iron, steel, most

other metals, petroleum, lumber, hardware, paint, etc., have been favorably situated. On the other hand the apparel trades, textiles and footwear lines, have been hard put to it to make a fair showing. Even in the first-named lines there have been some apparent reactions in the nature of breathing spells as it were.

The copper industry has been producing heavily at home and abroad. United States production has doubled in two years, but the price has not been profitable judging from the passing of dividends by some of the so-called high-cost producers and the shutting down of some mines.

The steel trade, stimulated by active buying of railway rolling stock, cars and locomotives, and sheets and bars for automobile makers and structural material for builders, has been about the best situated of all the industries if the success of leading automobile manufacturers in setting up new high records for



Wherever truck wheels turn

TONGUE or pen has never uttered a truck advertisement more clear and convincing than the one being written every hour of every day on the face of earth by the tens of thousands of White Trucks in service.

These White Trucks write in work, not words; in performance, not promise. They write in money-earning miles.

And men read what they write. It is read on the neat mahogany desk top of the fleet owner. It is written there on cost records. It is read in the sweaty clatter and turmoil of the teeming freight depot; amid screeching of hoists and clanging of buckets where great buildings are struggling towards the sky line; on the long, silent, all-night drive over a trackless plateau to a lone, gaunt oil

derrick or a mine shaft. It is written there in unfailing dependability. It is read by the hard-headed, tight-fisted captain of industry and by the weather-beaten, hard-handed captain of a single truck—the driver. And each reader understands it, for it is written in the universal language of work well done.

The vast fleets on the White Roll Call; the unmatched volume of mileage records in multiples of 100,000 miles; the 23 years through which The White Company has risen to the leadership of the truck industry—these are chapters in this story.



Assuring continuous, sustained transportation everywhere

THE WHITE COMPANY
CLEVELAND

Before you buy a truck, read this advertisement which is being written daily by White Trucks in service. It is being written wherever trucks wheel turn—in your city, right there in the street outside your window.

WHITE TRUCKS

January and February sales output is expected.

The building-material trades have all had a big winter business, but some slackening in the lumber and brick trades has followed. Big supplies of building materials to meet an equally large expected demand have been engaged, and the opening of active operations in the northern states may eliminate the softening of values recently noted, especially in lumber, in some sections.

Agricultural implements have sold better than a year ago, as have fertilizers; but intense competition is reported in the latter industry with consequent embarrassment of one large concern partly attributable to this cause, but partly also to losses on high-priced materials bought during the boom years.

In the textile trades the slowness noted in cotton-goods buying in January, with the reports of curtailment not only in this country but also in Great Britain, resulted in a big drop in raw cotton prices. The decline in February was 6 cents, while the recession from December 1 to February 1 was 9 2-5 cents. There are some signs that this break has put a new face on things, but the advent of spring weather is apparently needed to reveal just what buyers will do.

Most of the woolen and worsted goods opened for fall by big mills are priced below a year ago. This has given food for thought to raw-wool buyers and holders who expected to see prices in this country rise to a parity with prices in Europe and in large producing countries.

Raw silk has continued to drop, being 50 cents off from February 1, 80 cents below March 1 a year ago, and \$3 below October 1, 1923, following the earthquake in September.

That the stock market movement has been a disappointment for both bulls and bears in the past two months seems evident from the fact that February sales were the smallest for some months (they were increasing a year ago), while stock-price averages have moved uncertainly and show slight changes. Bonds

have sold better relatively than have stocks; and prices have stiffened except where structural weakness was feared or revealed, or where depreciation in exchange, as in francs, affected some foreign bonds. Money has been in better demand for business uses.

It has been rather fashionable to speak of commodity prices as having been stabilized in recent months, and this view has no doubt been colored by the rather slow movement of the indexes which, massing the movements of all prices, have like the traditional average, resulted in something quite unlike anything seen in real life. The fact is, of course, that prices rarely are really stabilized, that is, without much if any movement; and the past few months have seen proof of this in the big declines in cotton, cotton goods, eggs, silk, butter, hogs and their products with the advances in wheat, corn, flour, sheep, coffee, lead, tin and petroleum and its products.

Bradstreet's index for March 1 reveals a drop of 2.2 per cent in a month, 4 per cent in three months and 7 per cent in a year. Prices are 21 per cent above the low of 1921 but 38 per cent below the 1920 peak.

Sales Still Gaining

RETAIL trade returns for January, Federal Reserve figures, showed gains of 7.5 per cent over a year ago; mail-order sales gained 11 per cent and chain stores 14 per cent. Wholesale trade gained only about 2 per cent, which is not up to the normal increase to be looked for. The retail sales gain that month was aided by low prices and cold weather.

Obtainable figures for February show mail-order sales a shade below January but 16 per cent above February last, which is an undeniably good showing. Irregular returns are a feature here, and for the two months one large house reports 3.1 per cent gain, while the other notes 35.6 increase. Chain-store sales point to a gain of 19 per cent over February, 1923.

Industry in January was active outside of textiles; and February saw more doing in

iron, in steel, and in coal for a while, until the soft coal strike menace disappeared. Car loadings for February, where not affected by holidays, exceeded the best of past years in that month; but earnings returns in January hardly measured up to the anticipations. For instance, car loadings exceeded those of January, 1923, by 1.2 per cent; but gross earnings fell 7 per cent; and net operating income dropped 16 per cent. Employment has felt mid-winter influences, but the decline from the peak of 1923 is not above 5 per cent at its worst.

The wheat situation, present and prospective, presents several angles. Seven months' exports to January 31, wheat and flour reckoned in bushels, were 50,000,000 bushels less than a year ago, which in turn fell 50,000,000 bushels below two years ago. Prices have held up well, partly on the expectations that the tariff will be raised to 45 cents, and partly on the idea based on reduced estimates of wheat stocks on farms as of March 1 that wheat east of the Rockies is on a domestic basis. The new crop condition is irregular.

The export trade outlook as a whole up to February, helped wonderfully by larger exports of high-priced cotton more than offsetting losses in grain exports, does not show up much differently than of late; but any view which excludes the hopeful situation engendered by the labors of the committees working on German problems, seems faulty. It is easy to calculate that a lifting of European exchange rates slightly would have a beneficial effect on all branches of our export trade.

What measures of movement are available for February are mainly cheerful. February bank clearings gained 7.6 per cent over the like month a year ago, nearly three times the rate of increase in January, while for two months the gain is 5 per cent over 1923.

February failures were slightly more in number than a year ago, but liabilities were heavily in excess of a year ago. Pig iron production for February was nearly 2 per cent larger than the longer month of January, while 2.7 per cent above February a year ago.

Keeping Your Local Trade at Home

MOST OF the merchants doing business in the United States are faced with the problem of keeping the local trade at home. This is not only a problem for the dealers of clothing and of dry-goods, but of furniture, hardware, farm implements, and even of groceries. The loss of local trade, no matter how acute it may be in certain localities, can usually be traced to two agencies: mail-order houses, and the larger retail stores in adjacent cities. The second of these two problems is considered here in the greater detail.

Most merchants recognize this condition, but very few try to overcome it. What I want to show are the advantages and the fallacies of such buying upon the part of the consumer and to suggest concrete ways in which merchants can win back this potential market.

Usually the smaller the city the more acute is the problem. Therefore, the investigation which is the basis for this article was carried on in two cities less than thirty

To You, a Small-Town Merchant

HERE IS a plain talk to the merchant who complains that his customers leave town to buy, or patronize mail-order houses. Here, too, are Mr. White's seven reasons why they leave you and why they don't:

The Main Reasons

FOR TRADING LOCALLY

1. Lower prices in middle and high-priced goods.
2. Equal quality in all reliable stores.
3. Convenience of local stores.
4. Personal interest of the proprietor.
5. Small stocks of exclusive lines.
6. Ease of establishing credit locally.
7. Civic pride.

FOR TRADING ELSEWHERE

1. Greater variety from which to choose.
2. Local merchants' failure to keep up stock.
3. Lack of progressive sales methods.
4. Unattractive stores.
5. Lack of proper solicitation.
6. Bargain sales in large cities.
7. Prestige of a distant market.

By WILFORD L. WHITE

miles apart, one having a population of about 250,000, the other about 10,000.

It is a fact that a progressive store located in a small town can undersell one in a larger city on medium and high-priced merchandise. If two stores offer the same quality and services, the smaller one can sell medium and high-priced merchandise at lower prices, because its overhead charges are less. It is esti-

mated that a small dry-goods store can operate at a cost of about 17 per cent, while a larger one must have an operating cost of nearly 24 per cent, a difference of 7 per cent on net sales. As against these figures, department stores will average more than 27 per cent.

This difference is primarily due to higher rents, the need of more advertising in the larger cities, a heavier loss from bad debts, a more expensive delivery system, and added services which are not needed in a smaller locality.

The investigation showed that the same models and styles of men's clothing were selling at from five to fifteen dollars more in the larger city. Medium and high-priced shoes sold at from fifty cents to two dollars more per pair in the larger. On the other hand, low-priced shoes sold at from fifty cents to one dollar more in the smaller of the two cities.

One reason for the lower prices in the larger city on cheap merchandise is that the stores can turn over this type of stock very

OUR ELECTRIFIED CIVILIZATION



In the Home

Air Heaters
Auto Engine
Heaters
Automatic Ranges
Bell Ringers
Candy Glows
Curling Irons
Fans
Fuses
Hot Plates
Irons
Lighting Equipment
Maid Lamps
Meters
Micarta
Motors for
Blenders
Grinders
Ice Cream
Freezers

Motors for
Ironers
Sewing Machines
Vacuum Cleaners
Washing
Machines, etc.
Newell Posts
Percolators
Radio Equipment
Rectifiers for Charging
Automobile and
Radio Batteries
Safety Switches
Solder Glows
Table Stoves
Transformers
Toaster Toasters
Waffle Irons
Warming Pads
Water Heaters

Where Westinghouse Serves

At home, at work, at play, and on your way from one to the other, you live in an electrified world made possible by the generation and transmission of *alternating current*—the great contribution of George Westinghouse to his fellow men.

The organization which he founded has made the application of this power to every phase of human activity so natural and simple that few realize how it has revolutionized our civilization.

WESTINGHOUSE ELECTRIC & MFG. CO.
Offices in all Principal Cities Representatives Everywhere



In the Office and Store

Air Heaters
Bread-baking Ovens
Chocolate Warmers
Elevators and
Control
Fans
Fluores
Maid Lamps
Meters
Motors for
Adding Machines
Addressing
Machines

Motors for
Coffee and Meat
Grinders, etc.
Dictaphones
Duplicating
Devices
Envelope Sealers
Tackers
Panel Boards and
Switches
Safety Switches
Ventilating
Equipment



On the Street

Street Railway Equipment

Arc Welding
Equipment
Automatic Sub-
stations
Babbitting Outlets
Babbit Metal
Baking Ovens
Circuit-breakers
Control Equipment
Fans
Gears and Pinions
Insulating Materials
Lightning Arresters

Lighting Fixtures
Line Material
Machine Tool
Motors
Maid Lamps
Motors
Portable Substations
Relays
Solder and Babbit
Pots
Switches
Transformers
Trolley Poles

Street Lighting Equipment

Cables and Conduit
Control Apparatus
Maid Lamps

Ornamental Posts
Street Hoops
Transformers



Automotive Equipment

Ammeters
Generators
Ignition Equipment
Lighting Equipment
Maid Lamps

Micarta Propellers
Starting Motors
Switches
Timing Gears
Voltmeters



At Sea

Condensers and
Auxiliaries
Electric Heating
Apparatus
Engine Rooms
Auxiliaries
Fans
Galley
Equipment
Generators
Insulating
Material

Light and Power
Plants
Maid Lamps
Motors and Control
Meters
Pumpkin
Equipment
Pumps
Reduction Gears
Switchboards
Turbines
Ventilation



On the Farm

Curling Irons
Fans
Fuses and Fuse
Boxes
Irons
Maid Lamps
Motors for all Home
Appliances
Motors for Power
Purposes
Out-door Switch
Boxes

Percolators
Power Stand
Radio
Equipment
Switches
Toasters
Transformers
Waffle Irons
and the
Westinghouse
Light and Power
Plant



In Mines

Arc Welding
Equipment
Automatic Sub-
stations
Baking Ovens
Circuit Breakers
Control Apparatus
Electric Heating
Apparatus
Electric
Locomotives
Fans
Gears and Pinions
Generators
Headlight
Equipment
Insulating Materials

Lighting Arresters
Line Material
Locomotives
Maid Lamps
Motors for Hoists,
Pumps and Tippers,
or Breakers
Motor Generators
Portable
Substations
Switchboards
Synchronous
Converters
Transformers
Ventilating Outlets



On the Railroads

Arc Welding
Equipment
Automatic Sub-
stations
Baking Ovens
Circuit Breakers
Control Apparatus
Electric Heating
Apparatus
Electric
Locomotives
Fans
Gears and Pinions
Generators
Headlight
Equipment
Insulating Materials

Lighting
Equipment
Lighting Arresters
Line Material
Maid Lamps
Motor Car
Equipment
Motors
Motors and Control
for Shops
Pantographs
Power House
Apparatus
Solder and Babbit
Pots
Stokers
Switches
Transformers



In Light and Power Plants

Circuit-breakers
Condensers
Control Apparatus
Fans
Frequency-changers
Generators
Instruments
Insulators
Lighting Material
Lighting Arresters
Meters
Motors
Motor-Generator
Sets

Panel and
Switchboards
Pumps
Relays
Synchronous
Converters
Steam Turbines
Stokers
Switchboards and
Switching
Equipment
Transformers
Voltage
Regulators



In Mills and Factories

Arc Welding
Equipment
Automatic Starters
and Controllers
Circuit-breakers
Fans
Furnaces and Ovens
Fuses
Glue Cookers
Insulating Materials
Knife Switches
Lighting Equipment
Locomotives
Maid Lamps

Meters
Micarta Gears
Motors
Panel and
Switchboards
Power House
Apparatus
Safety Switches
Sinter Condensers
Stokers
Transformers
Ventilating
Equipment

Westinghouse

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rapidly and, therefore, are able to accept a lower mark-up. The point to remember is, however, that the class of people who are interested in low-priced merchandise are either working or do not have the financial ability to travel to a larger city to make their purchases. They must buy at home.

To offset this advantage of the customer's buying at home, there is the disadvantage of not being able to select from complete lines of merchandise. This situation is a serious handicap for many merchants and cannot be completely overcome, for a merchant in a small city cannot afford to carry the assortment of sizes that is absolutely essential in a larger store. However, something can be done.

Too many merchants buy what they think their customers want without trying to find out what they do want. Some merchants buy bargains when their customers want and are able to pay for quality merchandise. Others buy to please their own wishes.

The solution of this temporary disadvantage is to find out what your customers want and to have the goods on your shelves when they want it. You can do it by putting out "feelers" just prior to a purchasing trip. You can do it by closely watching the social, business and political leaders of your city to see what they are purchasing from you and your competitors. You can do it by reading both the trade publications and general magazines in order to find out what these help recommend.

The second advantage you have over your out-of-town competitors is that, assuming that you are not primarily a cut-price store, you do offer merchandise of quality equal to that of these competitors. National advertising has been a boon to the smaller merchants, because they can now offer standardized merchandise equal in every respect to that offered in the most exclusive store in New York City.

Do you make the fullest use of this advantage? Do you "cash in" on the national advertising by letting prospects know what merchandise you handle? National advertisers are fast developing their dealer help in the form of mats, advertising copy, consumer letters and booklets, to the point where they tie up with the individual dealer in such a way as to make them valuable to him.

The third reason why so many people trade outside of their own locality is the lack of progressive sales methods and alert salespeople. A good example of the first is the storekeeper who expects his neighbors to think it their duty to trade with him.

Advertising Requires Judgment

ASIDE from satisfied customers, your greatest sales opportunity is advertising. Which method are you following? If your advertising is not selling your merchandise, where does the fault lie? Not with advertising, because it is sound economically, and has proved its worth many times over.

Advertising will sell your goods if you give it a chance, but a few words hastily written on a piece of wrapping paper and run in your local paper for a week is advertising under too great a handicap.

Examples of poor retail salesmanship are familiar to everyone. One will be enough here. A woman walked into a grocery store, saw the commodity she wanted in a bin marked with the price, "Twenty cents a pound." She asked for a dime's worth. As the clerk weighed out the required amount, the customer glanced at the scales and noticed that "full" measure in this case was going to mean six ounces.

When she spoke to the clerk about it, he

answered, "Oh, we are too busy to pay much attention to such small sales."

Do your salespeople ever offend a customer in this way?

Many customers will not ask a clerk to wait upon them; they will stand around for a few minutes and then walk out in disgust, vowing never to return. The salespeople who stand talking to each other while the customer waits are not entirely to blame; often they are not paid what their services are worth. Advancement is slow. Pay them their due; see that they have an opportunity to read books and literature on salesmanship as well as on the merchandise which they sell. Then, if they do not improve, they should go. You have done your part. Modern sales methods and alert clerks will do a great deal to lessen your out-of-town competition.

The third advantage which you can utilize is that of convenience of location. The main reason why more groceries are purchased in the home city than clothing is that groceries are convenience goods. Although you may not be selling a convenience goods yourself, you have a much more convenient location than your competitor fifty miles away or the mail-order house in Chicago, so far as your market is concerned.

Advantage in Convenience

THE LOCAL customers can come to your store, see what they are buying and take it home with them in a fraction of the time it would take them to get on the train or motor to a larger city or send a letter containing a check to a mail-order house for something they had never seen. Many people do not realize this fact. Perhaps some of your prospects can be classed in this group.

You may be sending prospective customers to competitors for their merchandise because of the unattractiveness of your store. How is the exterior? Does it need paint or even just a scrub brush? Are your windows cleaned often enough? Do your customers have to step up to get into your store? Is your entrance lighted? Is the lettering on the window beginning to peel off? Make a personal investigation of your store front.

Many merchants do not see the value of a good window display. Merchandise is oftentimes dumped into the window destined to stay there until some one forms an attachment for one of the articles and asks particularly for it. How long does it take you to arrange your windows? A full evening is not too long. Do you change your display at least once a week? Do you realize that it is just as important to keep the inside of the windows clean as it is the outside?

The rise of the chain store has shown unit merchants the value of a scientifically planned layout for their interiors. A general principle which can easily be followed in any store is that your fastest-moving goods should be placed in the fastest-moving space.

By fastest-moving goods is meant that merchandise which is called for the most often during the day. The fastest-moving space is usually around the cash register or money drawer; that is, customers tend to congregate near the register and wrapping counter. By thus arranging your stock, you can save the time of your clerks, the time of your customers and greatly increase the efficiency of your store while decreasing your total expenses.

One of the greatest advantages, if not the greatest, which you have over these two types of competitors, is the personal interest which you can show in your customers. Instead of being just a business which sells goods by mail, or a store which meets its

customers through tens or hundreds of clerks, yours is one which is built around a personality, you. Your personality can be made a great asset to you. If you feel that it is not as strong as it should be, try taking the point of view of your customers as you wait upon them.

Personality is individuality. Personality is service. If you learn the names, faces and interests of your customers and let them know it, they will appreciate your attention and show their appreciation by trading with you. This method can be overworked, but it rarely is. Get out on the floor and mix with your customers as they come in, wait upon them, and above all, meet them on their own ground.

It may be true that you have to carry a smaller line than your large competitors, but if properly handled, this disadvantage can be turned into an asset. As long as you do not have a complete line of one model of coats, for example, you can offer exclusive merchandise. In a city of 250,000 a complete line can be sold without much fear that when worn, the same models will often meet. It is different, however, in a smaller city, where everyone knows everyone else. Your need is not so much to have a large stock, but to have a wide variety carefully selected.

There are two other minor reasons why your local people should trade with you. First, it should be easier for them to establish credit with you, assuming you are doing a credit business, than it is to get it in a larger city where they are not known. In the case of a mail-order house, cash is usually demanded with the order.

The second reason is that of civic pride. In itself this is a poor point to stress; but if everything else is equal, consumers should be urged to spend their money at home.

There are, then, at least three other reasons why people are attracted away from their local store.

In the first place, larger stores in adjacent cities are continually offering all types of sales; some are legitimate; most are not. In the second place, every consumer is apt to feel that an article is better because it comes from a distant city or a foreign country. "Distance" apparently does "lend enchantment" to some purchasers. This psychological principle is just as true in selling farm plows as doll babies.

Every Case Individual

IN THE last place, your prospective customers have certain buying habits and motives. If they are at present buying from a mail-order house, you have that habit to overcome. If they are new residents and have been accustomed to buying a certain brand of shoe, for example, which you do not carry, you will have a hard time to sell them the first pair of the brand which you handle, no matter how much better it may be.

All three of these difficulties can best be met, first, by recognizing them, and, second, by handling the individual cases as individual cases. No two will be identical.

The only conclusion that can be drawn from a study of this sort is that keeping the out-of-town trade at home is not as hopeless as it seems. Most of the reasons for out-of-town trade are to be found in the business houses of the home town itself. Unpleasant as it may sound, this fact is true. While the larger stores and even the mail-order houses enjoy certain permanent advantages, it is a fact that where local merchants have made a sincere effort to regain this trade, they have been very successful.

Why Big Business Endorses Burroughs

Big business firms—the careful buyers—always investigate a product and the company behind it before they purchase.

In the forty years that these careful buyers have been purchasing Burroughs Machines for all of their figuring they have found:

—that Burroughs is constantly studying the figuring problems of business, large and small, and anticipating the demand for better methods by building machines of undisputed quality to solve each problem efficiently;

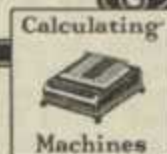
—that Burroughs is the only concern making a complete line of adding, bookkeeping, calculating and billing machines in such a large variety of styles and sizes that each particular figuring problem can be handled in the most economical way;

—that the continued leadership of Burroughs in the industry during the past forty years is the best guarantee of continued service and satisfaction in the future.

This endorsement of big business the world over is your safest guide in the selection of dependable figuring equipment for your business.

Your local Burroughs representative will be glad to discuss your figure problems with you. There's no obligation. If you're located in one of the more than 200 cities where there is a Burroughs office, phone us—your telephone book or your banker will give you the address. Or, if you prefer, simply sign the coupon below and we will send complete information.

Burroughs



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Machine Company
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We would like to discuss some of
our figure problems with a Burroughs
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Name _____

Business _____

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The Expense of Government Economy

By CARLETON THOMAS

NOT LONG ago I chanced to ask the assistant director of one of the largest government bureaus what he thought of the success of the recent program of economy in government expenditures. To my astonishment his reply was one word, "Bunk."

Surprised, I asked him, "But don't you believe in economy?"

He leaned back with a twinkle in his eye and said:

"That is a foolish question to ask a Scotchman who drives a Ford car, although the statistical compilations indicate that with his income he should have a \$2,500 one. Now, isn't it?"

I had to admit the truth of his remarks, but I still couldn't get it.

"Do you mean you approve of personal economy, but not public economy?" I asked him.

"No," he replied, "I believe in economy that is really economical and the kind of public economy that has been so much talked of in the last couple of years is not that kind."

"Go on," I said, and he went on.

"Economy," he said, "consists in getting the most for the least expenditure. Paying \$20 for a suit of clothes is not necessarily more economical than paying \$40, for two \$20 suits may not give you as good service as one \$40 suit. Neither is it economical to walk six miles to save seven cents carfare, unless you are doing it to get healthful exercise, because the extra half-hour required to cover the distance is worth more than seven cents to anybody whose time is worth anything at all."

"But just how does that apply to government expenditures?" I wanted to know.

"Let's be specific," he rejoined. "Take the case of the navy blankets that were being sold as surplus property while the Indian Service was buying new blankets. What people don't know is that the Indian Service blankets had a design woven into them so they can be easily identified and therefore the thirsty Indian cannot trade one for a bottle of moonshine and then report a stolen blanket."

"You had better talk to the men on the job," he said. "Go down on the floor below and tell the chief of the Service Division that I want him to tell you all about his dictating machine, and then come back to me and I'll send you to another man."

On the floor below I found the chief of the Service Division. When I explained what I wanted he nearly exploded. "That — machine," he said, and then went on with his story.

The correspondence section of his division handles all the miscellaneous correspondence of that bureau, more than a hundred thousand communications each year, and does it very expertly with a small staff. One of the girls was leaving and the chief of the section figured out that if he could replace her with a dictating machine he could do more work himself.

The chief of the division was doubtful about dictating machines, but agents were consulted and a machine put in on three months' trial. It worked well; the man who was to dictate liked it, the girl who was to typewrite from the records liked it; and the use of the machine would save one stenogra-

"CARLETON THOMAS" isn't the real name of the writer of this article. He's a government man himself, high enough to have seen, with a reasonable perspective, how things work, and sensible enough to regret it.—THE EDITOR.

pher's salary; so everything seemed O. K. In a business house a check would have been sent for the price of the machine, and the section could have gone full speed ahead.

But nothing like that could be done in the Government. They must guard against the awful possibility that the section chief was getting a bribe from the agent for recommending the purchase of the machine. So it had to be returned to the agent, and a department purchasing agent had to send out proposals to three or more firms asking for bids. The purchasing agent and everybody else knew that only one firm made the machine and sold it through agents at fixed prices, but that didn't matter. Regulations must be followed.

Fetters of Red Tape

BEFORE the purchase could be initiated the request had to be passed on by a committee, which not only took time, but started the trouble. The reply came back, after a while, that another bureau in the same department had such a machine, which they hadn't used for three or four years. In the course of a week the machine arrived, and the expected happened. Nobody could make it work, for it had outlived its usefulness.

After more negotiations it was sent back, and then it appeared that the Brooklyn Navy Yard also had a machine. More correspondence and delay and eventually it proved that the Navy Yard wanted to keep its machine (evidently it would work), so permission was grudgingly given to buy a new one. But there was something in the regulations that indicated that such a machine could not be bought in Washington, so instructions were issued to a field office to buy one, use it a week, and then transfer it to the Washington office. This operation was practically completed, when another second-hand machine turned up.

So the field office had to be instructed by telegraph to cancel the order and turn back the new machine. After a while the surplus machine arrived, brought several hundred miles at considerable cost. With some tinkering it was made to work, not as well as a new machine, and the chief of the section, discouraged by the outcome of his efforts to get more efficient results, agreed to accept it.

Accept is hardly the word, for he had to pay 80 per cent of the cost of a new machine at full price, and as between a new machine at full price and a second-hand one at 80 per cent of the price of a new one the new one was obviously the more economical. Meanwhile the work had had to go on for nine weeks and a temporary stenographer had had to be hired costing three times the amount "saved" by getting the old machine.

At least twenty-five persons had been in-

involved in the purchase, scores of letters had been written, telephone conversations held, and telegrams sent, and a dozen people had given a good deal of their time to it for nine weeks. How much this cost the Government nobody can say, but that it was many times the cost of the machine seems not unreasonable.

When I returned to the assistant director he asked me if I thought the sort of economy I had just heard of was economical, and I had to admit it was not.

"But," I said, "that is only one instance."

"All right," said the assistant director, "Jones, from our Fargo office, is here. Go ask him what his experience has been with surplus property."

I found Jones working at a desk squeezed into one corner of a dusty storeroom. When I innocently said: "What do you know about the economical use of surplus property?" he also exploded. Here's his story.

Early this year he had been appointed to open an office in Fargo, North Dakota, for his bureau. First he had to rustle around and get some money allotted to him to provide necessary equipment. He figured down to the bare essentials and got prices on it both in Fargo and Minneapolis, but he couldn't get the essentials for the amount available. Then he had one of these economical ideas.

When a government employee is shifted from one station to another the Government pays part of the cost of making the move; he has to pay for the transport of his family and for packing his personal possessions, but the Government pays the freight on 5,300 pounds of household goods. (Most government employees are poor and don't own more than that amount.)

Now 5,300 pounds is less than a carload, and the less-than-carload freight rate is much greater than the carload rate, so he planned to get second-hand equipment in Washington, ship it in a car-load lot with his household goods and thereby get the needed equipment for the sum available. He enlisted the aid of the property clerk of his bureau and they set out together in a rusty Ford to take the necessary steps to secure the equipment. First they went to the head of the organization that handles surplus equipment and got him to give them a note to the head of the storage warehouses in Potomac Park, where chairs, filing cases, and such things are kept. He, in turn, sent them to a shipping clerk, who went over their list, checked off what was available, showed them what condition it was in and promised to hold the identical articles they had chosen until the necessary papers could be put through.

Everything was arranged. On a certain date the railroad company was to provide an empty car; the household goods and office equipment were to be put into it; and shipment made.

Four days before the car was to leave they had the foresight to telephone down to make sure that everything was all right about the equipment. To their consternation the people at the warehouse denied all knowledge of it.

By four days of effort they were finally prevailed on to supply all the items previously arranged for, but alas, of quite different quality. No specific price could be obtained on any of this equipment; prices could not

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TREASURE

AN army of some 50,000 men blasting their way to the heart of the Pacific Northwest's mountain ranges—

Battering in perpetual night at the treasure vaults of the centuries—

And bringing up to sunlight a million dollars worth of precious earth *each day!*

Such is the claiming of the Pacific Northwest's colossal mineral wealth—a mighty episode in the epic of "The Second Winning of the West."

As for the untouched mineral resources of the five states of Montana, Wyoming, Idaho, Washington and Oregon—to attempt to estimate them would be futile.

It can only be said that a list of the minerals found within their borders reads like a catalog of all the minerals known. That the annual value of those now being recovered approximates \$300,000,000. And that this represents but a scratching of the surface.

And in addition to its wealth of minerals and metals, the Pacific Northwest is immeasurably rich in immense coal deposits, great oil

fields, and vast reservoirs of natural gas.

The value of the coal mined is some \$50,000,000 yearly. In 1922 the production of oil has been estimated at 25,000,000 barrels. Since that time phenomenal developments have taken place in the oil fields of the Pacific Northwest.

"But I am no miner; nor have I money to invest in mining operations. How does this," perhaps you ask, "interest me?"

Only in that here, in this glimpse of great wealth and great enterprise, is revealed one

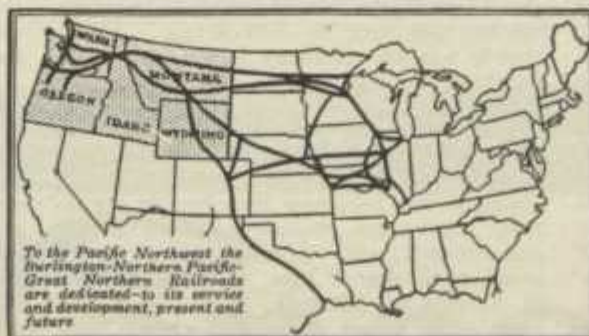
of many things that unite to make the Pacific Northwest a land of opportunity for every man.

Its great natural wealth, the richness of its millions of acres, its unlimited water power, its vast timber reserves, its great seaports, its glorious and varied climate—all of these and more have gone into the making of a great and thriving empire. An empire in which big things are happening, in which bigger things *will* happen, and which offers opportunities just as big to every man imbued with true ambition to get ahead.

Whether you have money to invest or only energy and a will to succeed, here, among the thousands who have found prosperity, personal independence, and a greater enjoyment of life, there is room and a welcome for you!

Write for interesting booklet,
"Treasure Lands of the
Pacific Northwest"

Address: P. S. Eustis, Passenger Traffic Manager, Chicago, Burlington & Quincy R. R., Chicago, Illinois; A. J. Dickinson, Passenger Traffic Manager, Great Northern Ry., St. Paul, Minn.; A. B. Smith, Passenger Traffic Manager, Northern Pacific Ry., St. Paul, Minn.



The PACIFIC NORTHWEST

The Chicago Burlington & Quincy R.R.
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The Northern Pacific Ry.

The Land of Opportunity



be fixed until the transfer was actually made.

As he arranged his battered and marred equipment in his office at Fargo, Jones reflected that anyway he was getting it cheap. It looked it. Imagine his dismay when the bills came in. Two rickety and scarred tables of a quality he could have bought new from the local furniture store for \$26.50 were invoiced to him at \$30 each and everything else in proportion. Weeks of correspondence followed, and considerable reduction was made in the prices charged, but even at that, allowing for the freight, the second-hand material cost more than new equipment would have. Of course this money went into the U. S. Treasury as "miscellaneous receipts," but as far as this bureau was concerned it was just as much an expenditure as if it had been paid to a furniture company.

But the prize package was his desk. No desks were available in Washington, but a war-time plant in Texas that was being abandoned reported one available for which there would be no charge. Jones thought it would be worth at least the freight, so he used one of the rickety tables for six weeks while the desk was on its way. Finally it arrived. Evidently it had been kept in a chemical plant and the fumes had completely removed the varnish in some places, and in others had turned it as many colors as Joseph's coat.

Part of the veneer on the top was completely off, and the rest of it was so warped as to resemble the general appearance of a washboard. A furniture repair man, called in, estimated \$36 as the cost of putting it in reasonably presentable shape, a junk dealer bid \$3 "as is." The desk still stands in one corner of Jones' office—discreetly covered with a cloth, for he hopes to palm it off on some other office. The freight charges and effort spent on transferring it were absolutely wasted.

Going back to the assistant director, I asked him another question. "Isn't there room for real economy in government expenditures?"

His response was equally prompt: "Of course there is, but we are making no real progress toward getting it."

"Why not?" I asked.

"Because the waste principally arises from unnecessary, futile work that is done to conform to foolish and unnecessary regulations."

"But why do they have such regulations?" I asked.

"Because they are part of the laws of the United States," was the reply, "and once a law is passed it is very difficult indeed to get it modified or repealed. The fundamental principle of all the federal regulations seems to be that all federal employees are potential

crooks. And the worst of it is that these regulations, in most cases, are not in any way an effective safeguard against graft and wrongdoing, but merely involve a lot of useless labor. Indeed it might be said they tend to encourage wrongdoing, for in many cases they are so senseless and impracticable that the only way business can be done at all is by evading them wherever possible."

"Give me a specific example of what you mean," I urged.

"Well," he said, "take the case of Jones, whom you have just interviewed. After he had been in his new office a while the landlord handed him a bill for \$1.02 for electric

only plausible reason I can think of is that government accounts must be technically correct. That voucher not only has to be passed by our disbursing office, but by the disbursing office of the department, and finally it will be audited by the General Accounting Office. If one of those two offices found an arithmetical mistake, that the difference between the readings was more or less than 17 or that 17 times the unit rate was more or less than \$1.02 for example, the voucher would be returned to us for adjustment and that would mean a lot of work.

"Not long ago the chief of one of our field offices needed a book, and he needed it that

day for some work he was doing. So he telephoned the local bookstore and they sent it right away. The bill was sent in in the ordinary way, was paid and the voucher was sent to the General Accounting Office, which promptly suspended it, calling our attention to the fact that books can only be bought by field offices as an emergency purchase, and the voucher didn't show that any emergency existed.

"I gave altogether a week of my time to trying to straighten it out, but to no avail; we had to send the book (somewhat marred by use)

back to the bookstore and persuade them to refund us the \$4 we paid for it, which took some persuading.

"Then proposals were sent out to three firms, and it was eventually bought for 11 cents less from another firm. The work of three men in that office, with combined salaries of \$13.80 per day, was being held up for the lack of that book, and it took about three weeks to put through the book purchase in the regular way and save eleven cents on it."

"Did you ever do any proof-reading?" he next asked me. I confessed that I had.

"Then you know that the human mind can pay attention to only a limited number of things at once. If you are reading proof for spelling and punctuation you can't pay attention to the sense. When you are reading for sense, you will often overlook an omitted comma or a misspelled word.

"The trouble with government work is that all the emphasis is on commas and nobody pays much attention to the sense. When Jones goes back west he will spend a day in Chicago, because the trains from the east arrive in the morning, and he has to take an evening train out; otherwise he would get to Minneapolis, where he has to go, in the night.

"When he turns in his expense account it will be carefully scrutinized and if he says, for example, that he paid twenty cents for checking his hand baggage and doesn't also show that there were two pieces, that twenty



light for two months. He reflected that that was very reasonable, paid it, took a receipt, and included it in his next expense account. It was promptly disallowed, and his attention was called to the fact that since electric light is a continuous service it must be covered by a contract. So he got the landlord to make out five copies of a contract, signed them himself, got witnesses to both their signatures, and took his oath before a notary that he was not personally deriving any profit under the contract, all as duly required by regulations.

Backed by the contract he sent in a voucher, all duly sworn to, for electric light \$1.02. Back it came to him, with a note saying it was necessary according to regulations that meter readings must be shown, and the unit rate. So he made out a new voucher, to electric light, 17 kilowatt hours at 6 cents per kilowatt, \$1.02. Back that came again, saying that meter readings must be shown. Finally he learned that the meter reading on July 1 was 1651 and on September 11 it was 1668, put that on the voucher, and the landlord finally got paid his \$1.02 five months after it became due."

"But why does a disbursing officer in Washington have to know what the reading of the electric light meter in Fargo, North Dakota, is on July 1 and September 1 before he will pay a bill for \$1.02?" I asked.

"Heaven only knows," he rejoined. "The

exter, ou
~~EXTRAS~~, extras, n.
 what is usual or requ
 ans or mate
 addition to the

Strike it out!

The Worst Word in the Building Dictionary

That word is "Extras"—Building "Extras" that cause delays, misunderstandings, discussions and increased costs.

The material maker who co-operates with architect, contractor and building owner can stop many of these "Extras" before they start. He can bring into agreement the building plans and the details of his own product. He can get a clear answer to every questionable point. His materials will fit when they arrive and much grief will be eliminated for everyone.

Fenestra maintains Detailing Departments in every large city expressly to eliminate "Extras." Some of these men—

experienced engineers, draftsmen and estimators are located *near you*—where you can reach them quickly—call them to your office—talk to them personally. In your vicinity also is a well-stocked warehouse and a full crew of experienced erectors.

From your earliest rough estimate to your final O. K. on the completed job, Fenestra men stand ready to act as your personal advisors and helpers.

This is service which cannot be bought on price like a standardized commodity. Its value depends on the integrity of the company and the ability of its men. Perhaps that is why the Detroit Steel Products Company has designed, made and installed more steel windows than any other manufacturer in America.

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cents will be suspended from his account.

"But nobody will check up to see how good use he made of his time in Chicago. If he chooses to spend his morning playing Kelly pool and the afternoon at the movies, nobody will check him on it. It isn't necessary that we should, for he is a conscientious man, interested in his work, and there are many things he can usefully do in Chicago."

"Does the General Accounting Office serve any useful purpose?" I enquired.

"None that I know of," he answered. "Perhaps it has useful functions of which I am unaware, but so far as this bureau is concerned, all it does is check up our accounts and make us do things differently from the way we had done them. Not in any better, or more efficient, or more economical way, you understand, but in a different way, usu-

ally involving a lot of effort in supplying apparently unnecessary data.

"So then the situation is getting worse instead of better," I ventured. The assistant director considered a while and then said, "Yes, I believe it is, for Congress is continually passing more laws and creating new commissions and in both cases additional rules and regulations are made. For example, the Personnel Reclassification Board was created last year and it promptly instructed every other branch of the Government to submit to it monthly reports of the status of personnel."

"Most months in most of our offices there would be no changes, but just the same they had to make out six copies of a report involving a page of typewriting, but on which the only significant words were 'No changes.'"

"This would have to be initialed first of all

by the chief of the field office, sent by him to the chief of the district office, and by him to the chief clerk of the bureau, by him to the chief clerk of the department—and he sent it finally to the Personnel Reclassification Board. At least four people had to initial that report, and probably more than a dozen people to handle it—six copies of a report that said nothing at all."

"What would you recommend, then," I wanted to know.

"A campaign of education to make the voting public realize that the unremitting efforts of the legislative branch of government to tie the executive branch up tight with laws and regulations is costing the taxpayers money every year, and that the remedy is not to put more laws and regulations on the statute books, but less."

Why That Pullman Surcharge?

By E. L. BEVINGTON

Chairman, Trans-Continental Passenger Association

A RECENT issue of THE NATION'S BUSINESS contains a reference to the so-called "surcharge" for transportation in sleeping and parlor cars. Perhaps a few facts concerning that charge, from the standpoint of the railroads, may clear a misunderstanding which now exists regarding it.

The surcharge, so called for lack of a better name, is an extra charge due to the fact that the cost of transporting passengers in sleeping and parlor cars is relatively higher than in coaches. The surcharge figures about one-third of a cent per mile, and for convenience is made one-half the charge for sleeping or parlor car accommodations. It is a transportation charge separate from the charge for sleeping or parlor car accommodations and the revenue accrues entirely to the railroads.

As a matter of fact, it is not a surcharge but merely a convenient way of stating the two sets of fares—one for coaches and another for sleeping or parlor cars. In other words, in order to determine the proper charge for transportation in sleeping and parlor cars, a small percentage is added to the coach rate.

The charge for berths or seats in sleeping or parlor cars is a charge made only for the accommodations occupied and is separate and apart from the transportation charge. The charge for occupancy of a berth in sleeping car or seat in a parlor car may, for illustration, be compared to the charge one pays for hotel accommodations.

The charges for sleeping and parlor car accommodations are regulated by law, just as railroad fares are regulated. The surcharge authorized after careful study showed that sleeping car passengers were not paying their proper share of transportation costs.

The difference between the cost of transportation in sleeping or parlor cars, and in coaches is easily understood when it is explained that:

Coaches seat from 50 to 80 passengers.

Sleeping or parlor cars, berth or seat, from 20 to 32 passengers.

The average weight of sleeping and parlor cars is 144,640 pounds, slightly more than 72 tons.

The average weight of coaches is 97,647 pounds, about 48½ tons.

Coaches having an average seating capacity of 70 weigh 23½ tons less than the average sleeping car, with capacity for 27 passengers, and the average parlor car with capacity for 31 passengers.

Approximately 7,500 sleeping and parlor cars move 365 days in the year. The hauling of these 7,500 sleeping and parlor cars

means hauling one car 876,183,204 miles in a year.

Taking the difference between the average weight of sleeping and parlor cars and the average weight of coaches (23½ tons) it means that in catering to sleeping and parlor car travel the railroads haul the enormous amount of 20,590,305,392 more tons one mile than if the traffic had used coaches for the same distance.

This additional tonnage figure is conservative because it is established by merely substituting 7,500 coaches for 7,500 sleeping and parlor cars, whereas if the ratio of relative average occupancy in sleeping and parlor cars, on the one hand, and coaches on the other (as well as the difference in weight of the two types of cars) were considered, it would increase the additional tonnage for sleeping and parlor cars as compared with coaches about 25 per cent or to 25,737,881,735 tons one mile. In other words, based upon the average occupancy, the total number of passengers now carried in 7,500 sleeping and parlor cars could, based upon the average occupancy of coaches, be accommodated in 5,893 coaches.

Extra Cost in Haulage

WITH the average load of about 11 passengers in sleeping cars and about 14 passengers in coaches (and these are the averages for all cars) the railroads carry about 12,620 pounds weight per sleeping or parlor car passenger; and 6,800 pounds weight per coach passenger. The deadweight per passenger almost doubles when sleeping or parlor cars are used.

The average number of square feet per passenger in sleeping cars is about 56½; in coaches about 37½.

The earnings per car mile, based upon the average occupancy are: Sleeping cars (including surcharge) 40.28 cents; coaches 46.27 cents.

This demonstrates that because of the additional weight and space occupied, it costs the carriers more to haul a sleeping or parlor car than a coach, and also that the transportation in sleeping and parlor cars is worth more to passengers than transportation in coaches.

That the additional accommodations and

conveniences in sleeping and parlor cars are appreciated by the public and are considered more valuable than accommodations in coaches is evidenced by the constantly increasing patronage and occupancy of sleeping and parlor cars. The record in a recent case before the Interstate Commerce Commission shows that the so-called surcharge has had no discouraging effect on travel but that, on the contrary, sleeping-car travel for the years 1920, 1921 and 1922 steadily increased its ratio over coach travel, which pays no surcharge. At that time figures for 1923 were not available but as there was a shortage of sleeping cars, it is beyond question that sleeping-car travel was still increasing.

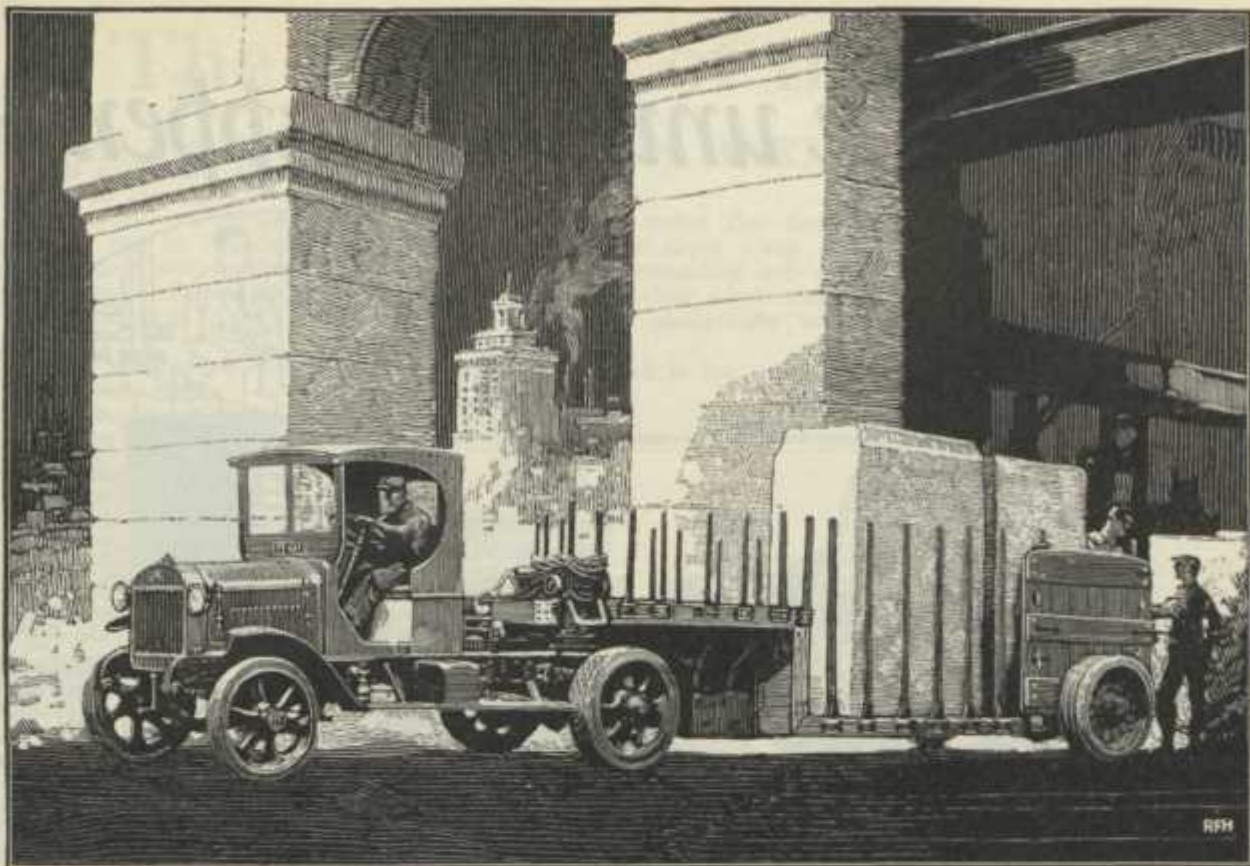
Through sleeping-car service is demanded by the public and is a highly specialized service. It is a permanent institution. Hundreds of through sleeping-car lines have been established by the carriers and the sleeping car companies, which enable passengers to occupy space therein, previously reserved, from starting point to destination, without undergoing the discomfort and inconvenience of transferring themselves at one or more gateways or junction points where the through sleeping cars are transferred from one railroad to another.

Through sleeping-car service is maintained between principal commercial centers and in many cases, because of operating conditions, the time of departure is fixed at a late hour in the evening and the arrival at an early hour of the morning. In such cases sleeping cars are spotted at place of starting, ready for occupancy, hours in advance of departure of trains, and for the convenience of passengers are set out at destination, and occupancy permitted, until a seasonable hour for arising in the morning. These operations necessarily involve the carriers in extra expense.

Coaches are usually handled locally on each line, and interline coach service is the exception rather than the rule. As a rule, coach passengers must change cars at junctions when they make interline journeys.

On railroads in the United States sleeping or parlor car passengers are but a small part of the total number carried—less than 5 per cent.

In a sense it would be a discrimination against more than 95 per cent of the total travel if the carriers should accept the coach rate from passengers occupying sleeping and parlor cars and enjoying all of the additional comforts, conveniences and privileges conferred by such occupancy.



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The General Motors Truck Company always has determined the list price of its trucks according to a fundamental principle—list price is the actual cost of producing the truck plus a fair profit.

This policy is significant to the truck buyer because it reveals itself to him in terms of dollars and of value.

Just as GMC value has increased by the addition of exclusive profit-producing qualities—So, too, GMC prices have decreased 65 per cent more than an average of other trucks since 1920, the year of highest prices.

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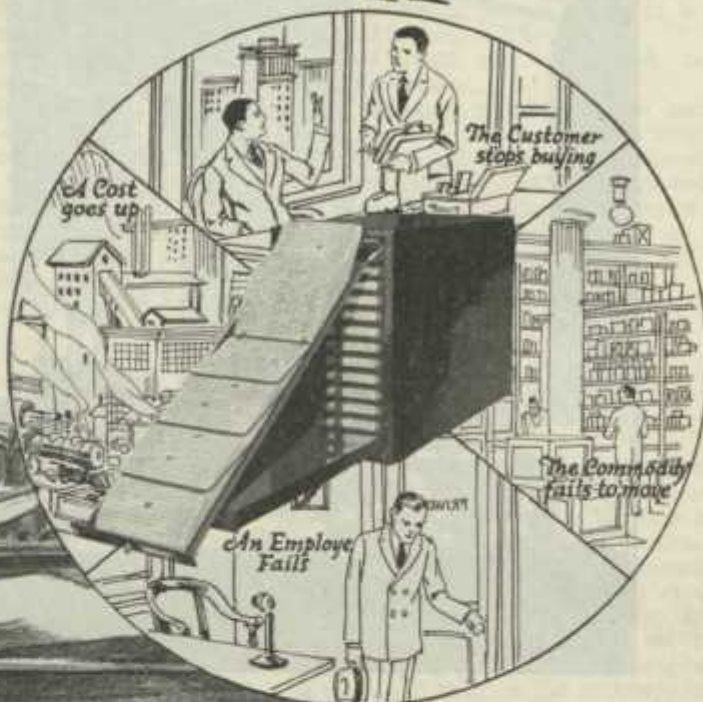
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BRANCHES IN LEADING CITIES

The Mystery of the Surtax

By JULIUS H. BARNES

THE CHAMBER of Commerce of the United States consistently advocated war taxes in war times.

National Government courageously laid heavy current taxes, and the American people willingly met these war burdens, thus avoiding the disastrous inflation which accompanied war financing in many warring countries.

The Chamber of Commerce, since the armistice, has consistently urged the return of peace taxes in peace times just as rapidly as the national budget would warrant. Consistent study and discussion of these two essential phases of tax policies laid the foundation for the spontaneous demonstration of understanding and approval when recently Secretary Mellon first laid before the country a definite plan of tax revision, making a step toward a peace tax basis.

The Democratic opposition constructed its own program, known as the Garner Plan. The field of tax revision then probably lies between the two extremes of the Mellon Plan and the Garner Plan. There are certain phases of comparative agreement of principle and policy.

"Nuisance" Taxes: Both plans eliminated certain taxes on recreation admissions, on telegrams, and telephone messages. The public generally condemned these taxes because their payment arouses intense irritation and their collection is expensive or doubtful.

There is, then, substantial agreement as to this phase.

"Earned Incomes." Both plans approve the principle of a lower rate of tax on incomes earned by active employment or occupation than on incomes which accrue to investment and property returns.

There is, then, substantial agreement on this principle, and any difference of view as to the rate of such reduction should readily be harmonized.

Reduction of "Normal" Tax:

There is apparent agreement on the principle that the full extent of national surplus revenue, conservatively estimated in advance, should be applied to the reduction of taxes, and especially on the taxes of smaller incomes, numbering about seven million individuals.

Secretary Mellon estimates that the normal tax rate can be reduced from 4 and 8 per cent to 3 and 6 per cent, and has said that the Democratic substitute proposing normal taxes at 2, 4 and 6 per cent will so reduce the national income as to carry the hazard of a national deficit. If, then, the issue as to tax revision were narrowed to this single question of reduced normal rates, it would seem possible for reasonable men in sober study to ascertain just what relief by reduced taxation to the ordinary taxpayer would still maintain a margin of safety in the national budget.

But at this point enters that particular phase of tax revision about which cluster most of the misunderstanding and of the class and sectional feeling which makes so difficult a sane and business-like revision, namely, the surtax.

Surtax: The surtax is the provision by

position by ability and energy and good fortune, from the former ranks of workers.

Mere envy and malice must have no place in a community whose social, industrial and political ideals stimulate individual effort and attainment.

In fair-minded and intelligent practice, a national surtax should preserve the incentive to large incomes to reinvest, year by year, into productive industry, out of which grows

opportunity and employment for all our people. Every individual investor, with a large or small income, before venturing, will estimate the probable outcome; the prospect of gain against the prospect of loss. Whether it be the average man soberly calculating the risk of venturing accumulated savings into small commercial or manufacturing projects, or whether it be the large investor calculating prospective earnings against possible loss in the vast industrial enterprises with which the material progress of America has been achieved, the same reasoning applies.

The smaller investor will calculate his chance of a losing venture against a chance of retaining practically the full earnings of a modest success, and with him the problem is therefore relatively simple.

But the large investor, facing a surtax on his income which, together with the normal tax, levies on possible profits up to today's high rate of 58 per cent, must weigh the remainder of reduced profits against the prospect of a possible loss, which he must stand, unaided. The fear of loss must be in the investor's mind, and that such fear is sound is plain from this comparison: in 1916 the ratio of all expenses of manufacturing corporations to gross income was 74 per cent, while in 1921 this ratio had risen to 100.3 per cent of gross income. Is it surprising that men whose experience and contact afford opportunity to observe the reinvestment of large incomes testify that those incomes are not today venturing, as they ordinarily would, into the expansion and development

of all industrial enterprise? With this balance ruling between prospective gain and prospective loss, is it strange that men of large incomes, the result of unusual ability and leadership in the recent development of this land of opportunity, should today steadily seek investments of smaller return but greater security? Is it in the interest of American achievement that these abilities and the service of their accumulated capital should be dissuaded from active ventures and active service of expanding industry, and, in semi-retirement, crowd the resorts of California, and Florida, and Europe?

The evolution of industry to machine production and its reliance on generated power calls insistently for more and more capital



A MAN, worth \$50,000,000, died last year. It developed he had paid no federal income taxes since 1916, and legally so.

Instead he bought tax-exempt bonds of his state and city yielding 4½ per cent. But for this he would have contributed over \$850,000 toward the expenses of his Federal Government. Federal expenses were not one dollar less because he did not pay.

Who did pay the \$850,000?

which those possessed of large incomes are required to pay a rising ratio of increased contribution to the expense of government. There is little serious opposition to this principle of tax levy, but there should be a relation which is fair and just, and which is effective in producing national revenue.

"Penalize Success." There can be, in America, no real portion of our people supporting a surtax merely to penalize superior ability or superior fortune. Every American father may hope that his own boy will achieve success beyond the common lot in this miracle land of America, with its open door of advancement to youth of energy and ability. Ninety per cent of those of large income in every community have risen to that

for its equipment. New forms of industry, expanding and changing types of old industry, the security of earning power which creates unlimited markets at home, all these sustain the field of opportunity in which rests the avenue of advancement to something better than the common lot. But through it all runs the insistent call for more and more capital and credit for these changes of industry in which rests opportunity and employment for the many. The day of the village artisan, with his local market, has been supplemented by vast enterprise which markets into all the corners of the world. Local opportunity has been widened by worldwide production and distribution, dependent on integrity and confidence between buyers and sellers who never actually meet. Men of ability possess opportunity as never before, but in both local and the wider field is required the aid of capital advances based on character and integrity, as well as ability.

Hardly more than two years ago four million unemployed were reabsorbed in industry in the space of a few months, aided by intelligent revision of national tax policies which had tended to stifle and discourage productive enterprise. Since that date America has held full employment, against the disorganization of former great competitors of ours. We want no return to the day of discouraged enterprise. There must be a sober realization of the necessity to find the balance at which national income may be fairly levied, and yet allow the capital flow from large incomes to go unchecked into stimulated industry.

Surely it is possible to ascertain whether the present surtaxes have failed to produce national revenue, and also whether the present surtaxes discourage reinvestment of large incomes into industry expansion.

Secretary Mellon, acting in his capacity as financial adviser of the Government, has definitely stated:

... the Treasury recommends the readjustment not in order to reduce the revenues, but as a means of saving the productivity of the surtaxes. In the long run it will mean higher rather than lower revenues from the surtaxes. . . . and that in all probability the revenue from the reduced rates will soon equal or exceed what would accrue at the present rates, because of the encouragement which the changes will give to productive business.

Those who challenge this matured opinion that national revenues from surtaxes are steadily declining and that a lower rate of surtax promises increased aggregate revenues, should support their difference of view with proper evidence, stronger than mere positiveness of statement. The cry that lower surtaxes, which promise in the aggregate to supply adequate national revenue, is a device to lighten the burdens of wealth, is an unworthy appeal to class prejudice, at a time when there is needed the most sober and devoted study.

If the national income from surtaxes has progressively fallen, year by year, is it evident that fewer and fewer of the large incomes seek the larger returns of business ventures with their accompaniment of loss hazard, and seek instead lower returns with greater safety? Does America want its large

investment class to seek the security of bonds and mortgages, whether tax-free or not, as against the capital ventures which equip the ordinary man of ability with his chance for great success? Individual impulse and individual action are necessarily difficult of accurate appraisal, but on a question of national policy as vital to every individual as this, we should seek the advice and counsel of those whose experience and record of successful business administration qualify as competent witnesses.

On this point the Secretary of Treasury has stated:

Fords Would Be Costing \$1,500 Each

HENRY FORD isn't worried about surtaxes. He can go on as he is, even were they increased; but, and it's a very big but, he couldn't have made the Ford as it is if he had had to pay the surtaxes when he was building up his business. Says he:

"With the high surtaxes, advocated as a benefit to the poor man or the man with moderate means, I doubt if we should ever have reached a point where we could have produced a car under \$1,500 and that only by paying very low wages."

"We should have had to pay very low wages, for the backs of men and not the backs of machines would have had to bear the weight of production. Our past earnings, our wealth, are in those machines."

The readjustment of the surtaxes, moreover, is not in any sense a partisan measure. It has been recommended, on substantially this basis, by every Secretary of the Treasury since the end of the war, irrespective of party. The present system is a failure. It was an emergency measure, adopted under the pressure of war necessity and not to be counted upon as a permanent part of our revenue structure.

For a short period the surtaxes yielded much revenue, but their productivity has been constantly shrinking and the Treasury's experience shows that the high rates now in effect are progressively becoming less productive of revenue. The high rates put pressure on taxpayers to reduce their taxable income, tend to destroy individual initiative and enterprise, and seriously impede the development of productive business.

Taxpayers subject to the higher rates cannot afford, for example, to invest in American railroads or industries or embark upon new enterprises in the face of taxes that will take 50 per cent or more of any return that may be realized. These taxpayers are withdrawing their capital from productive business and investing it instead in tax-exempt securities and adopting other lawful methods of avoiding the realization of taxable income. The result is to stop business transactions that would normally go through, and to discourage men of wealth from taking the risks which are incidental to the development of new business.

Ways will always be found to avoid taxes so destructive in their nature, and the only way to save the situation is to put the taxes on a reasonable basis that will permit business to go on

and industry to develop. This, I believe, the readjustment herein recommended will accomplish, and it will not only produce larger revenues, but at the same time establish industry and trade on a healthier basis throughout the country. The alternative is a gradual breakdown in the system, and a perversion of industry that stifles our progress as a nation.

Surtax discussion, after all, is aimed to find the point at which large incomes will not seek the seclusion of relative safety, but continue to enter into business enterprise.

The Mellon Plan recommends a maximum surtax of 25 per cent, which with the proposed 6 per cent normal leaves to the investor possibly 69 per cent of whatever earnings there may be in successful ventures, as the attraction against the ever-present alternative of 100 per cent of possible loss.

The Secretary's deliberate view that this should be tried in actual experience as one which may fairly promise to enlarge the national revenues and expand industry by striking the balance of investment attraction, is supported by the almost unanimous opinion of those who come in vital contact with the question of capital needs for industry.

It is here well to remember that the national income must be sufficient for the expenses of government; that if the national tax receipts are reduced by the lower earnings of frightened and secluded capital, by just that much national revenues must be raised by levying more on the incomes of many millions of other taxpayers.

So that, if we err in fixing the rate of surtax too high, if we ignore the evidence that the present rate has failed of proper service, then the smaller taxpayer must automatically assume a larger burden than if there could be reached the exact ratio of surtax which would earn both added tax revenues and expand industry.

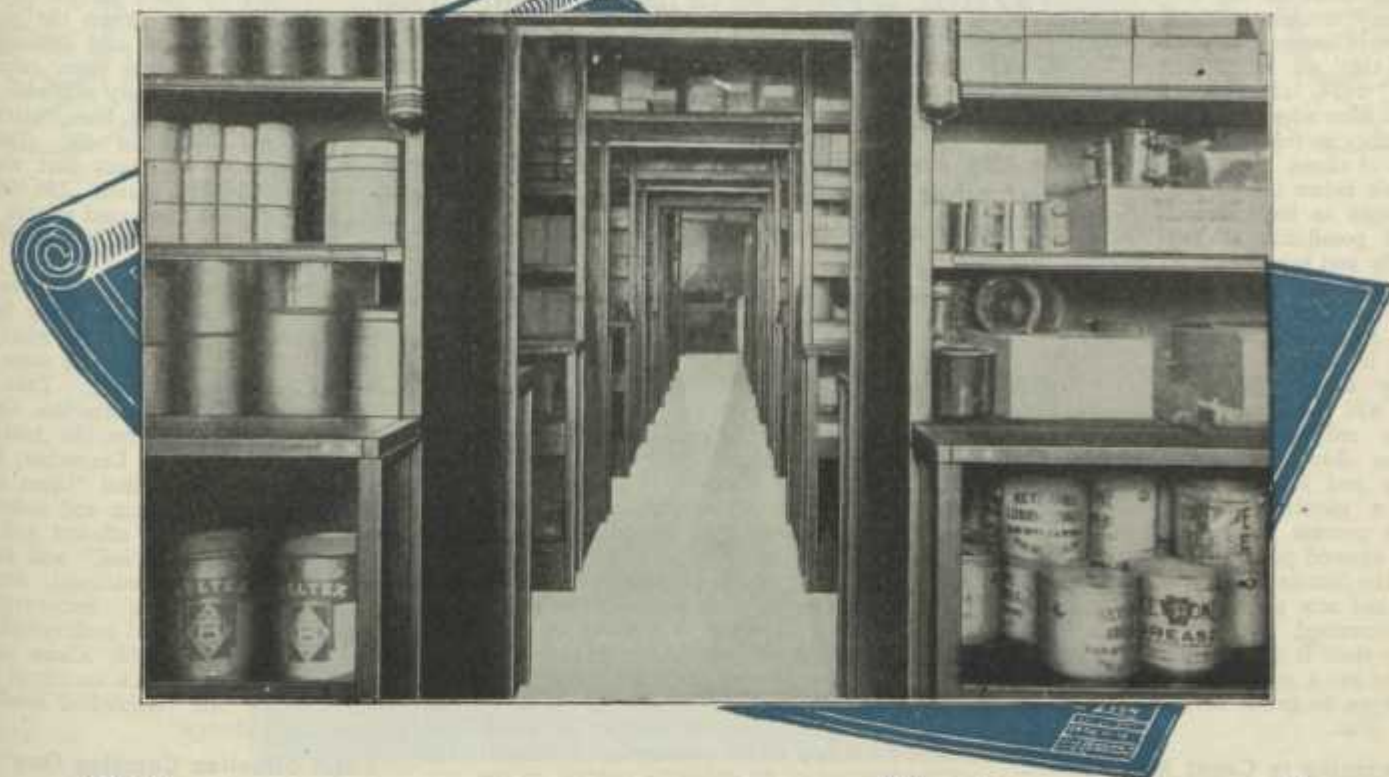
It is therefore a great mistake for the smaller taxpayer to feel that this is a question in which he is not vitally interested. The extent of his own relief depends on those whom he entrusts with legislative powers reaching a fair and just, and wise, rate of surtax. Those in Congress who oppose a reduction in the surtax rates must be prepared to defend that position with the great army of taxpayers who could experience further relief if surtaxes were so wisely framed that they brought in additional national revenue.

A Vivid Illustration

OTTO KAHN, who is fighting against the continuance of high surtaxes as harmful not to the rich at whom they seem to be aimed but to all classes, uses this striking illustration. If, he says, all incomes above \$10,000 were seized and distributed among those who have less than that amount, the result would be to add to those lesser incomes scarcely 10 per cent of what they have.

And he says this division, "while of little help to its beneficiaries, would cause an immense loss of national productivity by turning a powerful and fructifying stream into a mass of little rivulets, many of which would simply lose themselves in the sand."

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The Immigration Question Up to Date

IF ONE takes at face value the gossip about immigration legislation or the text of the many immigration bills now before Congress, he will conclude that on or before June 30, 1924, the United States will have adopted a permanent policy in regard to the admission of aliens. But if he goes a little below the surface he will begin to have doubts as to the possibility of any such speedy and happy ending. Congress may pass a law containing no time limitation, but, if so, the indications are that Congress is simply making indefinitely nearer the time when it will have to take the whole subject up again. The fact is that the American people is and are, collectively and individually, getting a new slant on a question of vital importance, and in the process are inclining formally to change an avowed policy that has been in effect since the foundation of the Republic. But just what the new policy shall be they have not yet determined.

The new slant is not new in the sense that we began to get it yesterday or last year. In fact we began to get it several years before the World War.

Beginning to Count Mouths

PERHAPS we began to get it along about 1896 when our western frontier vanished into nothingness and along with the frontiersman and the pioneer we lost our old sense of a limitless America.

If, instead of being infinite in its possibilities, our country is definitely and measurably finite, then we must make careful use of what we have. This thought affected our attitude toward immigration. We had proclaimed that ours was a land of refuge for the oppressed of all the world, and to these oppressed we offered a virgin territory. But when the virgin territory disappeared we found the refugees settling among us in our established communities, competing with us, affecting our standard of living and our local politics.

So we began to look at these once-welcome refugees with questioning eyes. We found among them what seemed to us a disproportionate number not only of the halt, the lame, the blind, but of the criminal. Stories got about that European governments were taking advantage of our open doors to unload on us. Then we began to make restrictions. We closed our doors to those who were obviously unfit. From time to time we closed the doors a little further. Shortly before the war we added to obvious physical, mental and moral disabilities the disability of inability to read as a reason for refusing admission.

Avowedly we still believed that ours was a land of refuge for the oppressed and we left a little sidedoor open for "persons convicted or who admit the commission or who teach or advocate the commission, of an offense purely political," which enabled us to maintain the illusion. But, practically, we said a refugee from oppressive conditions abroad must be free from disease or deformity, of sound mind, without moral stigma, and, except in the cases of refugees from religious persecution, his oppressive government must have permitted him to learn at least one of the three Rs. Consequently we were quite mentally prepared,

WHAT is going on in immigration? That is a question that comes to us constantly. Much confusion exists as to the status of the present law and the prospects of future legislation. Here we have sought to set forth briefly and clearly just what has been done, just what may be done, and the why of the various remedies proposed.—The Editor.

By a Member of the Staff

when the World War closed, to respond to the primitive instinct of self-preservation and we closed our doors so nearly shut that only a fraction of pre-war immigration could filter in. We felt that we must act quickly for we heard of hordes of people besieging all the European ports in their anxiety to reach America and comfort. So we used the method that first came to mind, a method that had been urged without avail in calmer pre-war years, and adopted the quota law.

This quota law which went into effect on June 18, 1921, limits the number of immigrants from any quota country to 3 per cent of the number of its nationals resident in the United States as shown by the census of 1910. The quota countries include Europe, part of western Asia, Africa, Australia, etc. They do not include the countries of the Western Hemisphere, immigration from which is not limited by quota, or those of eastern Asia, immigration from which is almost prohibited.

This law has served its emergency purpose. It has reduced the volume of immigration. It has given us a breathing spell, but we still think and talk in terms of an emergency.

Though we are less apprehensive than we were three years ago, we have not yet been able to consider the matter calmly, discuss it dispassionately, or even come to a clear understanding of just where we are aiming. There are those among us who still would do what they proposed three years ago, close the doors entirely, shut off all immigration for several years. At the other extreme are those who would reopen the doors—not all the way, for at present no one advocates unrestricted immigration—but so wide that all who are not obviously unfit might enter. Meanwhile no one has carefully studied—adequate data are not even available—the social and economic effects at home and abroad of our present limitation policy.

Some two years ago we had much unemployment in the United States. At that time the quota law was generally hailed as a lifesaver. Then we began our economic recovery and within a year the demand for workers in many lines exceeded the available supply. At once there arose a demand for "liberalization" of the quota law.

Such were two extremes within the brief space of two years, and yet at neither extreme did we have adequate data on our own situation. The National Conference on Unemployment called by President Harding in the fall of 1921, could not be sure as to the then amount of unemployment or as to a "normal" amount of unemployment. Its chief constructive proposal to meet the

existing situation was that each local community should provide work for its own unemployed. When the picture was reversed and demand for labor in many lines exceeded the immediately available supply in many lines, attention was called to the often-repeated statement that we are supporting from 250,000 to 300,000 more coal miners than we can profitably employ as coal miners.

Since then the tension has lessened and we have begun to assemble facts, or what pass for facts, and to do some reasoning on them. Take the farmer, for illustration. One of

the national farm organizations, the American Farm Bureau Federation, in December, 1922, passed a resolution stating that "there exists a continuing shortage of farm and industrial labor which gravely imperils efficient and economical agricultural production," and asking that Congress, "in the national interest immediately authorize the Secretary of Labor, upon demonstration of such conditions, to admit otherwise admissible aliens in excess of existing quotas to such an extent as is necessary to meet the established needs of agriculture and industry."

Farm Situation Complex One

IT FURTHER said that "in estimating quotas fixed by law, due consideration should be given to ascertained emigration." In other words it advocated "net" quotas, a term then widely used, which meant that the quota should be supplied only to the excess of immigration over emigration. This was a matter of considerable consequence, especially when applied to peoples who, like the Italians, tend to return home after a sojourn here.

Since then it has become apparent that sentiment among farmers is not so nearly crystallized on this subject as the resolution would indicate. Evidence is accumulating constantly that the farm situation is much more complicated than we used to think. Quite aside from the big problem of one-crop vs. diversified farming, there has arisen the question of whether there are not too many farmers—a question raised but by no means answered.

Appeals come from New England and the North Atlantic states for immigrants to take up abandoned farms. Then an observer states that these abandoned farms are today incapable of supporting a family according to American standards of living, that to settle them with immigrants would be to develop a low peasant class—one of the north central states has gone so far as to legislate against attempts to settle people on land which will not support them.

A statement comes from a southern state that the exodus of negro labor is handicapping agriculture and industry, that Latin Americans must be imported or, better, that European immigrants be admitted for northern industries so that southern negroes may not be lured away. At the same time a statement comes from a neighboring southern state that the exodus of negroes is having a beneficial effect in that large, half-worked plantations are being subdivided into smaller farms which are taken up by white farmers from the north central states.

This is supplemented by a statement from



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In luxury of performance and supreme smartness of equipment and finish, there is, of course, nothing to compare with the Packard-Eight.

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qualities which particularly inspire enthusiasm.

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the northwest that there are 20,000 too many farmers in that region—upon what the figures are based is not evident.

With such a variety of assertion it is natural that there should be a wide variety of opinion. The one thing that seems clear at the moment is that the most vocal part of the nation wishes some kind of limitation put upon the tide of aliens and, not having had time to think the problem through, is inclined to continue for a while the quota method of limitation. But beyond that all is confusion. From those who view with alarm the increasing size of alien colonies in our industrial centers to those who view with alarm the blow to agricultural and industrial activity if immigration is shut off, is a long distance. One asks if we wish to be alienized. The other asks if we wish to be impoverished. The answer to both is "no." But that does not give us a policy.

President Coolidge in his message to Congress last December said, "America must be kept American. For this purpose it is necessary to continue a policy of restricted immigration." And then he added, "It would be well to make such immigration of a selective nature with some inspection at the source, and based either on a prior census or upon the record of naturalization. Either method would insure the admission of those with the largest capacity and best intention of becoming citizens."

Choosing a Basic Census

HERE is a terse, clear-cut statement of purpose with an indication of methods which at that time seemed adapted to achieve the purpose. Congress has not yet attempted to outline a method of selection or to provide for inspection at the source, but it has drafted bills based upon two of the suggestions and so made them the subjects of discussion.

The proposal to base the limitation law upon a prior census has centered attention upon one date, 1890. We are shown that 1890 will give us a much larger proportion of Nordics, a much smaller proportion of southern and eastern peoples.

This sounds good until someone else tells us that 1860 will do the job much better, and produces figures to prove it. Then we begin to wonder what will happen if we once cast loose from our hold on 1910, and in debating the question note with surprise that this date which we are asked to abandon gives us the same kind of result as do the earlier years, the difference being one of degree. Witness these figures on net immigration since 1922 with the present quota law based upon 3 per

have been worked out. If we change the year, not only must many computations be made over again—which is a minor matter involving only labor and expense—but the irritation of certain foreign governments and of their former subjects now among us, which feel that a slur is being cast upon them—must be soothed.

For the use of an earlier date is obviously for the purpose of shutting down on certain nationalities. But this is not the most important feature of a change of dates. The most important feature is that one change means another quite as certainly as does one good turn deserves another. If it is 1890 now, why not 1860 next year and perhaps, when sentiment veers a little, 1930 some dozen years hence?

More appealing is the proposal to base quotas upon naturalization. What better evidence have we that a certain people is desirable than that it becomes naturalized? This seems perfectly clear, reasonable, safe and sane until we begin to examine into our naturalization processes. Then we learn that there is evidence to the effect that peoples from the most backward and despotic governments tend to become naturalized most quickly.

At the present time the naturalization proposal as phrased would give us a preponderance of Nordics, for the Nordics were the "old" immigrants. By and large they have been here much longer than have the "new" immigrants from Mediterranean and eastern lands. Consequently a larger proportion of them have been naturalized.

But if naturalization is to be the measure of desirability, why should we not be persuaded to base quotas upon speed of naturalization rather than upon mere numbers or proportions naturalized? If one group having been here on the average thirty years has 50 per cent naturalized, while another having been here on the average less than ten years has 25 per cent naturalized, which is the more assimilable?

If a Turk becomes an American citizen in six years on the average while an Englishman stays among us twice that long before becoming convinced of the superiority of our institutions and ready to raise his hand and swear to uphold them, then should not a warmer welcome be extended to the Turk?

Before answering consider this statement by the Director of Americanization Studies of the Carnegie Corporation:

Those who became naturalized most quickly were people from Turkey, not those from England or Germany. Then came Greece, Ireland, Rus-

tween those at the two extremes there is a growing number of Americans who are becoming more and more thoroughly convinced that immigration is a matter to study with care, and who, consequently believe that we should go slow in reaching conclusions.

But they also believe that no good will come of a violent change of policy which will seek to alter over night the present economic and social structure of the country. They wonder whether more drastic limitation would reduce the number of immigrants or only the number who enter legally. They wonder whether thousands of Mexicans and West Indians—who are outside the quota—are preferable to thousands of Europeans. But their questions are not answered, for we have not yet assembled and studied the facts.

So this increasing number of questioners is inclining to favor a definitely limited extension of our present law without change of date from the census year 1910, with little if any change of percentage, and then the creation of an official body which can assemble the facts, present them to us, and make recommendations for a permanent immigration policy based upon knowledge, rather than upon emotion.

Simplification Progress

RAPID progress in the movement toward industrial simplification is recorded by the Fabricated Production Department of the Chamber of Commerce of the United States. Here are some programs recently adopted and soon to become effective:

The reduction of varieties of files from 1,351 to 454, the new national schedule becoming effective July 1, 1924.

The reduction of types of hollow building tile from 40 to 19, effective January 1, 1924.

The reduction of sizes of range boilers from 130 to 13, becoming effective July 1, 1924.

The reduction of brass traps from 1,114 to 76 sizes and types, considered at a general conference of the tubular plumbing goods industry, March 6.

The adoption by the lumber industry of 38 recommendations providing for standard lumber classification, standard grade names and classifications, standard yard lumber sizes, lumber measurements, standard shipping weights and shipping and other provisions.

The adoption of standards of blackboard slate to be submitted to the industry for approval and, if adopted, to become effective July 1, 1924.

The reduction of varieties of hot-water storage tanks from 250 to 10, to be submitted to all interests preliminary to a general conference.

The reduction of sizes of bed blankets from 78 to 12 to become effective November 1, 1924.

The reduction of varieties of forged tools comprising picks, mattocks, hoes, sledges, crow bars and various blacksmith's tools, from 549 to 365, to become effective July 1, and to be subject to annual revision.

The adoption of four types and designs of plow bolts, ten sizes of carriage bolts and ten sizes of machine bolts as standards, together with six sizes of wrenches.

The conferences at which these results have been accomplished were held in Washington at the request of the manufacturers, distributors and consumers, most of them upon the initiative of representative trade associations. The cooperative agencies assisting them were the Simplified Practice Division of the Department of Commerce, the American Engineering Standards Committee and the Fabricated Production Department of the Chamber of Commerce of the United States.

OFFICIAL FIGURES OF IMMIGRATION SERVICE

	1924 (6 months)*	1923	1922*	1921	1914	1913
I. North and West Europeans ¹ ...	278,088	258,163	100,967	172,442	218,293	234,128
II. South Europeans.....	31,950	25,126	—23,000	210,216	226,633	201,939
III. East Europeans.....	48,581	33,817	—36,627	4,267	307,336	333,434
IV. Hebrews, all Countries.....	43,247	49,306	52,694	118,553	131,225	94,633

¹Finland is included in Group I.

*Quotas of many countries were exhausted in the first six months of the fiscal year 1923-1924, leaving a balance of admissibles to June 30, 1924, from quota countries of only 18,919, or 5.3% of the total annual quota.

*First quota year.

cent of the 1910 census of resident aliens.

The year 1910 has nothing particularly sacred about it, any more than has 3 per cent. But it was the last census year whose statistics were available at the time the first quota law was enacted. It is established. Most of the technical difficulties due to use of a date

sia, Roumania, Hungary, Holland, Denmark, Austria, Finland, Scotland, Norway, Italy—11 years. Then England—11.7 years, Germany—11.9 years, France—11.9 years, Switzerland—12 years, Sweden—13 years, Canada—16 years.

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The top picture of the Wiz Register, with its sides cut away, shows one strip of checks automatically refolded in the tamper-proof locked compartment (No. 4) after the transaction has been recorded. The record of any transac-

tion can be referred to instantly and then replaced without disturbing the load.

Auditing from the locked zig-zag strip of flat tickets is much easier than from a long rolled strip which curls over the desk and floor. The Wiz audit strip is a perfect file in itself, always in numerical order and accessible at any page, avoiding an awkward file of rolls.

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Dept. Stores and Dry Goods	Paints
Electrical Goods	Produce
Flour and Feed	Shoes
Florists	Wholesalers
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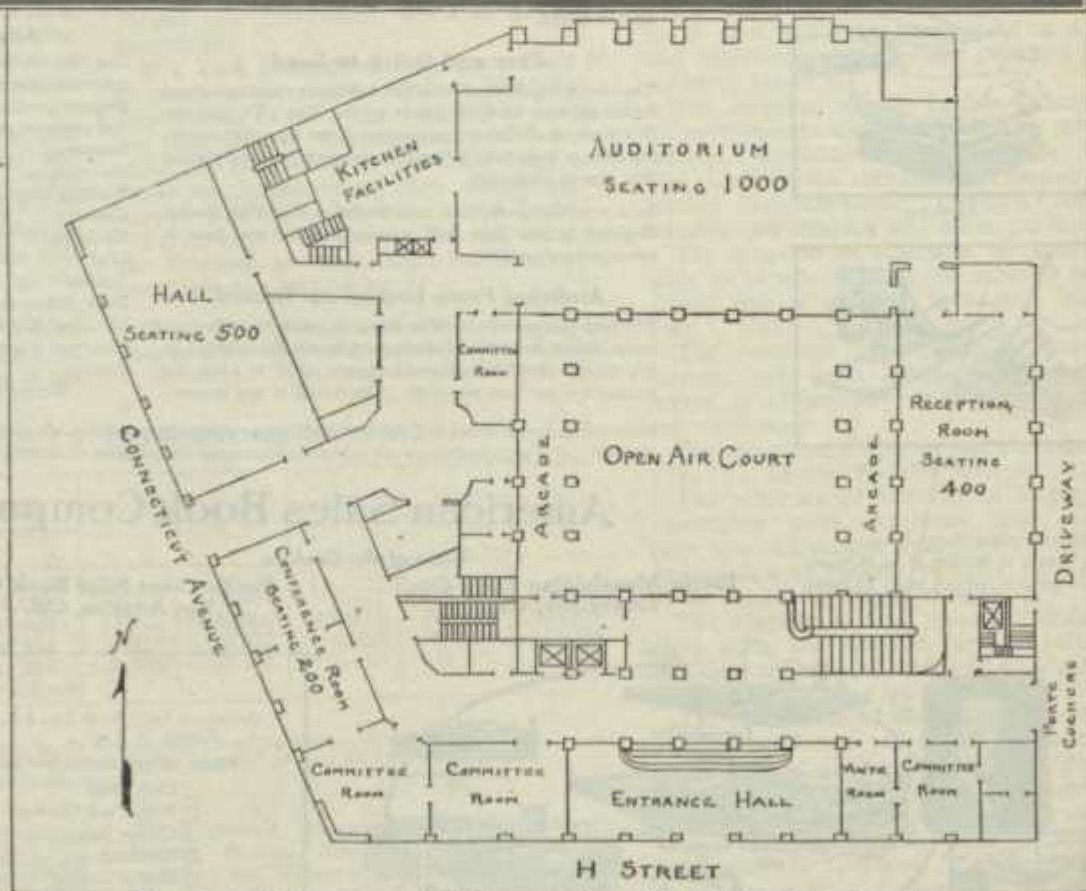
New Home of The Chamber Of Commerce of the United States Washington

OUTSIDE, the new home of the Chamber of Commerce of the United States seems almost complete. Inside, work is going ahead rapidly.

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Entering the H Street side one gets a view through succeeding arches across a courtyard with a central fountain to the main council chamber where a thousand delegates may be seated. On this floor, too, are smaller meeting rooms, board rooms and committee rooms. Here every facility for the convenience and service of members will be available at all times.

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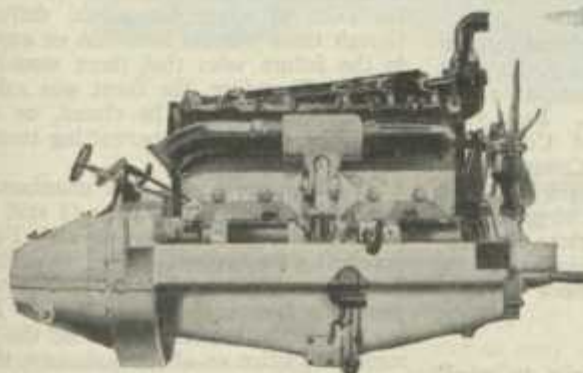
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The Supreme Court and Business

JUDICIAL procedure is a pretty hard thing to change, once it has become fixed. That has been the experience with the procedure of the federal courts, including the Supreme Court.

That the courts themselves are not always at fault is demonstrated by proposals which have been pending in Congress for years. In their present form they were prepared by a committee of the Supreme Court itself, a body by no means given to creating committees. One of the outstanding features of this legislation would be its effect in giving the Supreme Court a right to decide whether or not a particular case raises such questions of law that it is in the public interest for the court to hear the arguments and make a decision. Members of the Supreme Court appear to be authority for the assertion that only through such legislation can the Supreme Court overcome the arrears in its docket. It now takes from fifteen to eighteen months for the court to hear the arguments in an ordinary case, after it has been placed on the docket.

This legislation is being considered by the Senate Committee on the judiciary. It may have an opportunity in this session to get advancement toward enactment. Last year the United States Chamber of Commerce took formal action urging upon Congress that it give early and favorable consideration to the simplification and expedition of procedure in the federal courts. The American Bar Association and the state bar associations in no less than forty-six states have been working earnestly for this legislation.

BRANCH banking has given rise to much discussion. On January 28 the Supreme Court added the weight of its decision to one phase of the controversy. It then held that a law of the state of Missouri, prohibiting banks from operating branches, applied to national banks situated within the state and that the law could be enforced by the state against a national bank.

The other theory was that, as a corporation created by the Federal Government, a national bank could be called to account only by the Federal Government if it exceeded its corporate powers. To this argument a majority of the members of the Supreme Court replied that national banks are subject to the laws of the states in which they operate unless the state laws interfere with the purposes for which national banks are created or conflict with paramount federal statutes.

The Attorney General of the United States ten years ago held that under existing legislation Congress had not authorized national banks to operate branches. Therefore, between the state and the federal laws there is no conflict, the state law applies, and the state has power to enforce its law.

THREE of the justices dissented from these views, on the ground that national banks are created by federal law, any question about their corporate powers is a question of federal law, and only the Federal Government should have a right to deal with such questions.

The Missouri statute forbids a bank, not only to have branches, but also "to receive deposits or pay checks except in its own banking house." On its face this language would prevent so-called "tellers' windows" outside of the main office of a bank, i.e., sub-

sidary places of business which may look extremely like branches but which perform no banking functions aside from the mere receipt and disbursement of money.

On the ground that the court's opinion of January 28 did not make it wholly clear whether or not the Missouri statute could be construed to prevent a national bank from maintaining "tellers' windows" elsewhere than at its principal place of business, a petition has been filed asking the Supreme Court to consider further this point.

SUGAR attracted much attention about this time last year, because its price went upward in a spectacular way. The Department of Justice undertook to prevent a repetition of such a rise in price by proceeding against the New York Sugar Exchange as a conspiracy in restraint of trade and illegal under the anti-trust laws.

The Department of Justice argued that the sales for future delivery affected the price for sales of sugar for actual delivery, although there was no intention or expectation in the future sales that there would be delivery. Therefore, the court was asked that the exchange should be closed, or at least should be confined to permitting transactions for actual delivery.

The Supreme Court in a unanimous opinion handed down on January 28 said it could not see things this way at all. For it to accede to the request of the Department of Justice would, it said, mean that it went beyond any law on the statute book. Legislating is not the business either of the Department of Justice or of the judiciary, the court strongly implied.

"Those who have studied the economic effect of such exchanges for contracts for future deliveries generally agree that they stabilize prices in the long run instead of promoting fluctuation," the court took occasion to remark.

Sales for future delivery are useful and legal, and so are exchanges where such business may be carried on under well defined rules, the court added. The fact that manipulators may resort to the facilities for their own purposes may make the manipulators amenable to the anti-trust laws, as in the case of artificial corners does not cause the facilities themselves to be illegal.

INTERCHANGEABLE mileage books and the legislation under which the Interstate Commerce Commission acted in ordering the railroads to sell them at 20 per cent off regular rates were before the Supreme Court on January 21. The Court held that the object of the traveling men, to have Congress order lower rates on such books, did not get effect in the bill which Congress passed and that the bill went no farther than to require the commission to determine what rates would be just and reasonable.

The findings of the commission, in the court's judgment, were adverse to any reduction for mileage books but the commission acted under an impression that Congress intended something which was not in the statute. Deference to the supposed, but unexpressed, wishes of Congress is not sufficient, and so the commission was restrained from proceeding to enforce its order. The commission has since dismissed the case from its docket.



Airplane View of Watertown, N. Y.

The Lengthened Shadow

SOMEWHERE to-night, in a quiet home, a young man will sit down beside a friendly lamp and dedicate precious hours to self-improvement.

He is one man, and yet he is many men. For wherever ambition dwells—wherever men go home from their work resolved to learn more about that work—wherever the desire for achievement is most keen—there, too, you will find the inspiring and inspired figure of the student before the lighted lamp.

In Boston, a prominent architect of 1930 or 1935 will touch his drawing pencil to paper for the first time. In New Orleans or San Francisco, a young man with inventive genius will study the rules and formulae that will help him glimpse the vision of his first great discovery. In New York, an advertising man will write his first copy. A farm boy in Iowa will work out the engineering mathematics that will some day enable him to build a great tunnel. In Cleveland or Philadelphia or Detroit, a chemist will hold his first test tube to the light. In Chicago, the potential president of a great manufacturing company will study his first lessons in accounting and business management.

For thirty-two years, ambitious men and women have been studying just so through the International Correspondence Schools. They have given their spare time to a sincere study of their work, and by reason of this preparation and training have not only brought success to themselves, but have made a definite contribu-

tion to the progress of the organization in which they work and the community in which they live.

For as every institution is the lengthened shadow of one man, so every community is the far flung shadow of many men.

It is not only interesting but surprising to check over the names of leading men in any business or any city, and find how many of them laid the foundations for successful careers through home study with the International Correspondence Schools. In almost any city or town in the United States you will find that these schools have taken an important part in training the individuals whose success is reflected in the prosperity of that community.

Take, for example, Watertown, N. Y.—the home of important manufacturing interests—and, significantly enough, the richest city of its size in the United States.

In the panel at the right are the names of some of the representative men in just this one city who at one time or another have secured special training through spare-time study with the International Correspondence Schools.

Such a list of men and the positions they occupy is a tribute to the practical value of the instruction they received and an indication, too, of what the International Correspondence Schools are doing everywhere in developing men—real men—capable men—for the larger positions in business and in life.

Prominent students of the International Correspondence Schools in Watertown, N. Y.

ROBERT E. CAHILL <i>Mayor</i> (Jan. 1, 1920, to Jan. 1, 1924) Partner, Watertown Engine and Machine Co.	ALVIN D. FOX <i>Foreman</i> Pattern Department Bagley & Sewall Co.
HARRY C. KINNE <i>City Commissioner</i> Assistant Sales Manager Bagley & Sewall Co.	P. E. CHAMBERS <i>Cost Accountant</i> Bagley & Sewall Co.
HENRY EAGER <i>City Commissioner</i> President, Eager Electrical Company	CARROLL L. THOMPSON <i>Assistant Treasurer</i> Bagley & Sewall Co.
R. A. WETTERHAHN <i>City Commissioner</i> Manager, North Side Branch Jefferson County National Bank	WILLIAM P. DARBY <i>Engineer of Maintenance</i> H. H. Babcock Co.
CHARLES E. DEWEY <i>Architect and Civil Engineer</i>	J. D. CARTIN <i>General Superintendent</i> New York Air Brake Company
WARREN J. GREEN <i>President</i> Warren J. Green, Inc.	GEORGE H. TOMPKINS <i>Chief Electrician</i> New York Air Brake Company
CHARLES E. OLLEY <i>Vice President</i> Buck Terminal, Inc.	D. D. KIEFF <i>Architect</i> GEORGE F. PHILLIPS <i>City Assessor</i>
JOHN GALLAGHER <i>Foreman</i> Machine Shop Bagley & Sewall Co.	EDWIN E. MARTIN <i>Chief Draftsman</i> Bagley & Sewall Co.
JAMES W. MUNRO <i>Advertising Council</i>	CLARENCE E. KINNE <i>Secretary and Chief Engineer</i> Bagley & Sewall Co.
GEORGE A. FAIRBANKS <i>Designing Engineer</i> Bagley & Sewall Co.	CLARENCE C. SMITH <i>L.L.B.</i> <i>Managing Secretary</i> Watertown Chamber of Commerce

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IN many a concern and many an industry, the loss of a nickel's worth of material is a great offense, while the waste of men is suffered without the batting of an eye.

This is neither logical, humane nor profitable. Wasting men by keeping them at unproductive work when machinery would do it faster, better and cheaper is indefensible.

The better way—the American way—is to concentrate men upon productive work at better pay, and let iron and steel in the form of Material Handling Equipment attend to the moving of materials.

The results that have been accomplished in some industries and by some individual concerns should be an inspiration and a challenge to others.

Handling material by mechanical means benefits both worker and employer; permits you to better place your own labor; the dollars invested in labor are made to yield a higher dividend, and workers are benefited by being engaged at more profitable tasks.

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Material Handling

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Hands up!

No bandit cares about *you* personally. What he wants is *your money*. Smile—and let him take it. Only make sure *beforehand* that the joke is on him—as the joke assuredly will be *if* you carry

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Your money is insured against theft or loss. These cheques can be used only when twice signed by *you*—once when you purchase them, and again when you spend them to pay transportation, hotel or other bills, or change them to secure cash.

In addition to this protection to your traveling funds, carriers of American Express Travelers Cheques have the full and most efficient Service of 26,700 Express Offices in the United States and Canada, during the entire business day. This is a very personal and helpful Service in hundreds of ways—for business or pleasure—an exclusive feature of these cheques.

Business men in every field—traveling salesmen, buyers, executives, the theatrical profession, etc., recognize the benefit of this Service and protection and are each year using these cheques in enormously increasing volume.

To vacationists—motoring, tramping, touring, traveling by train or boat, on the Pullman, shopping, or just resting at resorts—wherever the security of traveling funds, plus most helpful Service are desirable—American Express Travelers Cheques are a necessity.

Spendable everywhere, acceptable anywhere, these cheques abroad have long been known as the insured money of all nations. Right here at home—in your own United States, or in Canada, their use *insures* and *assures* a protective and personal SERVICE.

Issued in amounts of \$10, \$20, \$50 and \$100, American Express Travelers Cheques cost only 75c for \$100—75c for protecting your traveling funds, for most valuable personal service, and for your own peace of mind when you travel anywhere.

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Light Breaks Through in Germany

THERE is no parallel, metaphorically speaking, there are no figures, there is no precedent, for what happened in Germany between November 15 and the first part of January. To say that in that short time order was brought out of chaos is an understatement. Much more happened. In that brief period the devastated finances of a great country were rehabilitated, certainly temporarily, possibly permanently.

But beyond that the authority of the State was reestablished. What is further astounding, as well as it is essential, is that the Germans, or at least their leaders, realized that they were at the crossroads and deliberately turned to the right along the painful path of virtue and stability. The German people, hearing the voice of authority, have thus far followed loyally, as they have always followed in the past where they have found clear leadership. On the surface things still look shabby and down at the heel. Nevertheless, a profound change has been in process underneath, which may prove permanent. Possibly there is some outward reflection of it in the pride with which many Germans point to the fact that today the Rentenmark is worth more than an English shilling.

Employment Situation Improves

THE NET result is fundamentally a new Germany—or rather a resurrection of something like the Germany which the world knew before the war—whose survival now lies in the hands of the Allied and Associated Powers. The basic danger was that of unemployment. It is not true to say that this problem has been solved, because the totally unemployed still number millions—a million and a half in unoccupied Germany alone. It is true, however, that the Government is on top of this problem and that the dangers of it are no longer a menace to the survival of the State. What happened in Germany in two short months could only happen with a powerful and vigorous people; it is of a character which must excite admiration.

A full appreciation of the German effort cannot be complete without some recollection of the difficulties which it had to surmount. When Stresemann's Government had the sense to abandon the futile policy of passive resistance in September, its courage was tested by the immediate appearance of what can fairly be called a state of chaos. First of all there was chaos in currency—the lifeblood of a modern industrialized state. This naturally induced chaos in finance generally. The whole fabric of distribution was threatened.

It is generally understood that the last crops in Germany, taken as a whole, were the best for years. The trouble was that the farmers would not part with their produce for worthless bundles of printed paper. Furthermore, the collapse of the currency suddenly projected into the situation hundreds of thousands, and even millions, of unemployed, who had no wages with which to buy food, even though the food were purchasable.

MR. MILES, who writes this article, represents in Paris, at the offices of the International Chamber, the American section of that body. When he wrote this article on February 18, he had just returned from a first-hand study of conditions in Germany. To many of us it will come as a surprise. As Mr. Miles sees it, this new "sick man of Europe" has passed the crisis and is on the road to health.

—The Editor.

By BASIL MILES

Administrative Commissioner for the
United States of the Interna-
tional Chamber of Commerce

On top of this political chaos threatened. Stresemann's cabinet fell. Ludendorff and Hitler threatened a revolution in Bavaria; Separatist movements in the Rhineland provinces and in the Palatinate raised their menacing heads. Socialist upheavals in Saxony and Thuringia had to be put down and controlled. Unostentatiously, however, the authority of the State was being safeguarded. Inconspicuously on the surface, but fundamentally in fact, the preservation of law and order was placed in the hands of a military dictator. By two decrees in late September and early November, General Von Seeckt, as virtual Commander-in-Chief of the Army, was given adequate authority for the preservation of law and order and what may be called the police authority of the State. The small army under his direction proved loyal to the State and restored order with a firm hand that disposed quickly of all opposition. Only a few days ago—in other words, in three or four months' time—the General informed the President of the Republic officially and in writing that the authority of the State was firm and sound and that on March 1 he proposed to relinquish the exceptional powers with which he had been entrusted.

Neither General Von Seeckt nor any other authority could have succeeded had not the German Government adopted measures which were fundamentally right. First of all, they launched a new currency which, it was announced, was to be based on mortgaging the agricultural and industrial wealth of the entire country, taking it at 40 per cent of its estimated real value.

On November 15 the so-called Rentenmark began to appear. It was pushed out first in the payment of government salaries. From this beginning it was gradually expanded until by January 1 (the last figures available at this time), it came into circulation to practically half the authorized limit of its maximum issue of 2,400,000,000 marks. The value of the Rentenmark was stated to be the same as that of the old gold mark. At the same time the foreign exchange value of the old Reichsbank paper money was fixed at 1,000,000,000 marks for one Rentenmark. The German people have taken the Government's word for it, and the Rentenmark circulates at par and the Reichsbank marks are freely and universally accepted at the stipulated ratio.

Genuine Reforms Begun

AT THE same time a series of tax decrees appeared successively, showing a genuine budgetary reform, providing for specific economies, including the dismissal of large numbers of civil government employees, and a scheme of taxation that offered encouraging prospects of the government revenue at last overtaking government expenditures. By way of illustration, the financial statement of the third decade of January (January 21 to 31), shows total receipts equal practically to 95 per cent of the total expenditure. When it

MANAGERS and assistant managers in our hotels represent the guest just as truly as they represent the hotels. It's you, really, for whom they work.

So when you want some special service or attention that's beyond the room-clerk or bell captain or other person to whom you apply—

When you have to go higher than the chief of some department to get satisfaction—

Then an assistant manager, or perhaps the manager, is the man for you to see.



Get to the Management

By E. M. STATLER

As the manager can be in but one place at one time, and can't be on duty all the time, there are assistant managers in our hotels who are all that the title implies. An assistant manager is always available, broadly speaking; and is always glad to do his utmost to insure your satisfaction while you're with us.

You will find, below, some of our formal instructions to managers and assistant managers; they give the net of what we require of men in those positions, in their capacity of representing the guest.

Instructions to Managers and Assistant Managers

"Your biggest responsibility is to see that our policies are carried out and our promises to the public are kept.

"Most of your contact with guests will be with those who want something of you. You must always do everything you can to make their way smooth and pleasant.

"If his trunk hasn't come, or his ice-water doesn't flow; if he doesn't like his room, or has trouble at the mail desk—

"Whatever the reason for his seeking you, you are to take hold *interestedly* and give him the quickest satisfaction possible.

"In all your contact with guests (and, don't forget, with your associates, too), remember that the unforgivable sin,

from our standpoint, is discourtesy. A close second is lack of interest; whether a guest comes to you with a complaint or a request, he *must always* be greeted and listened to and *helped* with the graciousness and courtesy that are the spirit of our policies. Be guided always by the golden rule.

"You are the men at the top in your houses, you managers and assistant managers. But you have no special rights or privileges over any other employee of the company in the literal carrying-out of these instructions from The Statler Service Codes: 'No employee is allowed the privilege of arguing any point with a guest; he must adjust the matter at once to the guest's satisfaction, or call his superior to do so.'"

Guarantee of Statler Service:

We guarantee that our employees will handle all transactions with our guests (and with each other) in the spirit of the golden rule—of treating the guest as the employee would like to be treated if their positions were reversed. We guarantee that every employee will go to the limit of his authority to satisfy you; and that if he can't satisfy you, he will immediately take you to his superior.

From this time on, therefore, if you have cause for complaint in any of our houses, and if the management of that house fails to give you the satisfaction which this guarantee promises, the transaction should then become a personal matter between you and me. You will confer a favor upon us if you will write to me a statement of the case, and depend upon me to make good my promise. I can't personally check all

the work of more than 6,000 employees, and there is no need that I should do so; but when our promises aren't kept I want to know it.

My permanent address is Executive Offices, Hotels Statler Co., Inc., Buffalo.

E. M. Statler

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BUFFALO: 1200 rooms, 1200 baths. Niagara Square. The old Hotel Statler (at Washington and Swan) is now called Hotel Buffalo; and the old Ingham Hotel is closed, not to re-open.
CLEVELAND: 1000 rooms, 1000 baths. Euclid, at E. 12th.
DETROIT: 1000 rooms, 1000 baths. Grand Circus Park.
ST. LOUIS: 650 rooms, 650 baths. Ninth and Washington.
BOSTON: Now preparing to build at Columbus Ave., Providence and Arlington Sts.

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Every room in these hotels has private bath and running ice-water; in every room is posted its rate, printed in plain figures.



Building Hotels From Visions

Another instance of where the initiative of ONE MAN plus the efforts of the Hockenbury organization brings a \$1,250,000 hotel to an under-hotelled city: Camden, N. J.

It took but one man with a vision to set the idea on foot and the Hockenbury organization to carry it through!

Is YOUR city laboring under the handicap of inadequate hotel facilities? Are your hotels no longer modern? Your town can get a modern hotel, just as fifty other cities have secured theirs through this corporation during the past few years.

Is it fair to expect your city to limp along without modern hotel facilities?

One man with a vision! One man! A civic leader!

If your town has a hotel problem, let us show you how these fifty other cities have overcome THEIR problem. Ask us to place your name on our list, "C-4," to receive each month a copy of THE HOTEL FINANCIALIST, a journal devoted to community hotel finance. It's sent gratis to members of the Chamber of Commerce.

The HOCKENBURY SYSTEM Inc.
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is recalled that at the end of August the revenue was only some 7/10 of 1 per cent of the expenditures, the drastic character of the present reforms appears in its full proportions.

As a result of these budget and currency reforms, in a few short weeks, particularly from Christmas until January 15, business lost its hectic speculative complexion, food supplies entered freely into circulation, and wages assumed a definite relation to real values. By the first of February the atmosphere was changed and cleared.

The change was based on sounder grounds than a miracle. Germany has always been more fundamentally sound than the world has been led to believe. Aside from the extraordinary fashion in which Germany has survived the abnormal economic pressure to which it has been subjected since the armistice, it is sufficient to cite a single illustration. It has been assumed that Germany's foreign trade position, particularly since the occupation of the Ruhr, has been hopelessly bad.

The official figures published on a weight basis showed the volume of imports to exceed those of exports to a dangerous degree. Recently, however, the Government has got together figures which, however arbitrary, are nevertheless based on money values, showing a very different situation indeed. These figures show for the year 1923 what is practically an even balance between the value of imports and the value of exports and which, when taken into consideration with Germany's numerous invisible services, indicate a definitely favorable balance in German commercial relations with the rest of the world.

It would not be consistent with the facts to emphasize Germany's strength were it not that it is so generally understated. It is necessary, however, to emphasize the strength of the country and of the people because of the obvious social disaster which has overwhelmed large sections of the population.

It has been stated before in these reports

that one of the gravest dangers since the armistice has been the widespread undernourishment which has existed in Germany. It is not that the Germans have not had enough to eat; they probably have. What is true, however, is that they have not had enough of the right kind of things to eat. This condition today is as bad as ever, if not worse. In fact, it must be worse because at no period has the number of unemployed subsisting on state doles and private charity reached such large figures as during November and December.

The encouraging feature about the situation is that the Germans are taking care of it in very large part themselves.

If the Germans have the courage and are allowed to proceed with their program, there will accordingly appear the true relation between their debt to the Allies and their capacity to pay it. It has always been obvious that the German Government could not continue payment of its war debts on any sound basis while its annual budget showed a deficit. For any healthy solution of the debt of the German Government, the resources of the nation must show a profitable balance sheet. For the first time the Germans have taken drastic measures to produce this situation.

It is almost beyond question that this effort has been the result, whether directly or indirectly, of the occupation of the Ruhr by the French and Belgians, and of the rigid economic measures which were put in force to make the occupation lead to pressure upon the German Government. It is asserted that the occupation, in an economic sense, was an inexcusable disaster. The net result, however, is that more than any other single factor, it contributed to the collapse of the German currency. The collapse of the German currency precipitated the house-cleaning which has taken place in the last three or four months.

Better Banking for the Farmer

By A. C. WIPRUD

Former Vice-President of the Federal Land Bank of St. Paul

A GREAT many stories were told during the discussions on rural credits preceding the enactment of The Federal Farm Loan Act about the American farmer and his attitude towards his financial obligations. This one is perhaps typical. A farmer in one of the middle western states owed his bank \$500 on a personal note. When it fell due, he drove to town, called at the bank, and told the cashier he wanted to pay his note. He called for a blank note, filled it out for the exact amount of the old note, plus interest, signed it, tore up the old note, and then exclaimed, "Thank God, that's paid!"

The point, of course, is that the farmer is a "renewer" and not a "payer." He is notoriously a poor business man, it was contended, making no provisions for any but his immediate needs. In prosperous times, he had ignored or forgotten the narrow margin upon which his business establishment, the farm, was operated, and was inclined to overextend himself, with the inevitable result that when the margin narrowed or entirely disappeared, he was unable to meet his obligations. As he did not fully understand the reasons for his own predicament, he was inclined to put the blame for it on his banker and upon the "prevailing system."

This was human, of course, and in a broad sense he was right. The system of banking which had been built up in this country was suitable to the needs of commerce and industry. The needs of the farmer were not provided for, nor was it contemplated that they should be. Under the prevailing law, a commercial bank can make loans for a period sufficiently long to cover the ordinary commercial transaction, but from a practical banker's point of view, ought not to make loans for a longer period.

Through the Federal Reserve Act, an attempt was made to extend greater accommodations to the American farmer, but there is no pretext that this act should care for more than his seasonal requirements. The establishment by the last Congress of a system of Federal Intermediate Credit Banks evidences the inadequacy of the commercial banks, with the additional facilities which the Federal Reserve Banks afford, to meet even the seasonal requirements of our farmers. On the other hand, the prevailing system of farm mortgage banking seldom granted loans for a period in excess of five years, and in many sections of the country at exorbitant rates of interest.

The financial needs of farming are different from those of any other industry. The farm-



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Individually and collectively the paramount thought of our organization is to build so that the result will show the maximum return on the investment. Due to the above association we are able to apply our operating experience to the benefit of their clients.

Perhaps you would like your construction work planned and completed by a concern enjoying these exceptional advantages.

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Increasing Human Efficiency 50%

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Hand sawing, planing, jointing, etc., is too slow and expensive. Employees engaged in woodworking operations can give 50% greater output if equipped with these high speed portable precision machines.

Likewise multiple installation of Wallace equipment will increase the production capacity of an entire organization in direct proportion to the number of machines made available for the use of employees.

All Wallace Bench Machines are portable, can be easily moved from job to job and operate from any electric lighting circuit.

Universal Saw	6" Jointer
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Chicago, Illinois



Wallace Bench
6" Jointer and
6" Planer

er's fixed capital forms a larger proportion of his investment than does the business man's. His turnover is not so rapid. He buys livestock, machinery, buildings, and land, and it is many years before he can realize upon them profitably. If he had to repay his loan in three or five years, the farmer would naturally hesitate before building a barn, silo, or hoghouse, before constructing a fence or purchasing dairy stock.

Such investments may be precisely the ones that would make his farm a more productive unit, but the earnings of the farm in so short a period of time could not take care of the necessary loan. The farmer would, of course, renew his loan when it fell due; but he would run grave risk of the money market being unfavorable at the time; and even if he did renew it, there would be additional costs for him to meet.

The farmer who desires to equip his farm with costly but necessary agencies of production must have credit for a comparatively long period of time, with the privilege of gradually extinguishing the principal as the interest is paid, and with the further right of extinguishing the entire principal whenever he desires to do so. It was this need that Congress sought to meet in the enactment under date of July 17, 1916, of the Federal Farm Loan Act.

Enacted After Long Effort

THE ESTABLISHMENT of a national rural credit system in this country was, however, not the result of merely a few years of agitation and effort. The subject had been discussed periodically by our statesmen, bankers, economists, and occasionally by our farmers since the early days of our history. The previous lack of progress or improvement in our rural credit facilities is attributable to economic conditions, chief of them our abundance of cheap land.

The West beckoned to the land-hungry, and especially to those who could not afford a farm in well-developed sections rural finance had been of secondary importance.

Within the present generation, however, the extensive domain of the West has been settled, and with this settlement has come the rise in land values. Increased land values call for larger amounts of capital and more intensive methods of farming. Attention then turned to the question of farm finance, which then became a consideration of first importance.

The Federal Farm Loan Act provides for the establishment of twelve regional federal land banks throughout the country and the organization of Joint Stock Land Banks, 69 having been organized and in operation at this time.

Through these banks bonds are issued based on the collective security of first mortgages on farm lands. European experience had shown that land-mortgage bonds, issued under strict government supervision, form an ideal investment because of their great stability of value, uniformity, and convertibility into cash upon moderate notice.

The immediate success of the Federal Farm Loan System is evidence of the need which it serves.

The Federal Farm Loan Board's consolidated statement at the close of business, October 31, 1920, disclosed that 250,349 individuals had applied to the land banks for loans aggregating \$757,344,907, of which amount \$367,834,014 had been loaned to 131,035 farmers. The board's statement at the close of business September 30, 1923, disclosed that \$1,229,206,338 in loans had been

made through the Federal Farm Loan System to that date. This enormous volume of business has been done without flourish; in fact, it has been done so quietly that the public at large is hardly aware that a new national system has been interwoven into our American financial fabric.

In a recent statement, the commissioner of the Farm Loan Board said that the banks have funds on hand in excess of applications for loans. It would appear, therefore, that the farmer's long-term credit needs are being amply cared for, either through the Federal Farm Loan System or other money-lending agencies.

In the establishment of the Federal Intermediate Credit Banks, Congress, at its last session, sought to provide credit to meet the farmer's seasonal needs. Loans were to be made by these banks to finance growing, stock-breeding, and marketing operations. Aside from the initial capital, which is provided for out of the United States Treasury, funds are to be raised by the sale of debentures, secured by notes or other obligations representing loans made by the bank for agricultural purposes. Of such debentures \$20,000,000 have been sold, and loans are now being made by the banks.

The sum of it all is that farming has at last been recognized as a business. No longer will the farmer's paper receive secondary consideration for his security has now been put in such form as to constitute a prime investment.

So long as he recognizes the standards which have been set up for him, he need no longer concern himself about arbitrary foreclosures or insufficient financing. The relationship of his business to the welfare of the country has been fully recognized; and while his emancipation will not absolve him from the periods of depression which every business is bound to experience, his present financial backing does place his own welfare as completely within his control as that of any other business man.

National Bank Cannot Act As Executor in Missouri

STATE laws in their relation to national banks were recently an issue before the Supreme Court of the United States in a case in which the Supreme Court held that the State of Missouri could enforce against a national bank its statute against operation of branch banks. From Missouri another case is now before the Supreme Court. This time the question is whether or not a national bank, given permission by the Federal Reserve Board to act as an executor, can exercise this authority in Missouri where the power to act in the capacity of an executor is conferred only on trust companies.

The theory of the federal statute is that a national bank may be allowed to be an executor in order to compete on equal terms with trust companies in the same community when they are permitted to act as executor. The Supreme Court of the State of Missouri took the point of view that the Missouri statutes place special requirements upon trust companies in connection with the funds they hold as executors, etc., that the same requirements are not imposed by federal law on national banks if they act in this capacity, and consequently a Missouri trust company as executor and a national bank as executor would not be on the parity which the federal law contemplates if a national bank exercises fiduciary powers. Such parity is essential to fulfill the provisions of the statute.

The final Error



ARE YOU GUILTY?

One of the little tragedies of every-day business: A manufacturer produces his catalogue. He is unstinting on paper costs. His engravings are perfect. An expert pen puts dynamic copy into it. He does not consider price alone when he assigns the printing order. He appropriates large sums for national advertising to make people ask for it.

And then, he commits THE FINAL ERROR. He sends it out "under separate cover!"

Du-Plex Two-in-One Envelopes and Mon-O-Post Two-Compartment Envelopes are made to eliminate the

"under separate cover" nuisance. They make it possible to send first class and second, third or fourth class mail in the same container at no increased cost and frequently at lessened cost. They save the executive's time, the mail room's time; they save mailing expense and they make it possible for sales letter and catalogue to reach the prospect at the same time.

THE FINAL ERROR in direct-by-mail selling is costing industry hundreds of thousands each year in undelivered catalogues and in catalogues that don't produce. A booklet, "Suppose This Were Your Catalogue", covering the subject should be on every sales executive's desk. Write for it—it's free.



Both Together, Sir!

Du-Plex Envelopes, in stock sizes and in average quantities, are sold by many leading stationers. If you cannot secure them locally write direct to "Mailing Information Headquarters."

Du-Plex Envelopes are used for mailing catalogues, booklets, magazines, newspapers, photographs, blueprints, samples and merchandise when accompanied by letter or invoice—for every combination mailing purpose.

DU-PLEX ENVELOPE CORPORATION
363 SOUTH SIXTH STREET, QUINCY, ILLINOIS

"Mailing Information Headquarters"
Twenty-three Branches in Metropolitan Centers

Du-Plex
2-in-1
ENVELOPES

Pat. U. S. A. May 26, 1919, Oct. 9, 1923
Pat. Canada Sept. 20, 1923 Other Pats. Pending

COLUMBIAN
(MON-O-POST)
TWO COMPARTMENT
ENVELOPES

Patented July 19, 1921
Other Pats. Pending

FOR MORE SALES THROUGH THE MAILS



Taking Soundings

On a strange coast or in foggy weather, the navigator, to protect his ship, takes soundings. By the depth of the water and the deposit brought up on the lead, he is able to determine his position.

To protect your health against such constitutional diseases as diabetes, Bright's disease and other ailments toward which your constitution may be drifting without your knowing it, you should take periodical "health soundings."

This is the function of our Bureau. By means of urinalysis, we make a periodical check-up on the state of your health. These reports are true protection against those diseases towards which the system can drift unsuspected, as they are not apparent to the naked eye.

We don't interfere with the function or service of your doctor. When you need his advice, our reports inform you of the fact.

The service only takes four minutes of your time per year. The cost is negligible and you can have full particulars of the service, what it means and what it does, free, without obligation.

National Bureau of Analysis

N. B. 44 Republic Bldg., Chicago

National Bureau of Analysis,
N. B. 44 Republic Bldg., Chicago, Ill.

Gentlemen: Please send me, free of charge, a copy of your booklet "The Span of Life" and full particulars of your plan.

Name

Address

Listening In on Congress

CONGRESS meets these days with lowering brows and clenched fists. When a Democrat isn't, as a New York alderman once said, "chuckling odium" on the Republican party, a Republican is linking the Democrats with all the sinners, business and political. But now and then a little rift of sunshine breaks through the storm clouds of debate. Listen!

MR. SHORTRIDGE (Calif.): We shall go forward with stout hearts, conscious of patriotic purpose, and we shall meet you in November, and whatever the verdict is we shall shake hands and join in, hoping that whoever shall guide the destinies of the Republic, they will be to the honor and glory of our common country.

MR. HARRISON (Miss.): May I ask the Senator a question now?

MR. SHORTRIDGE: I yield to the Senator from Mississippi.

MR. HARRISON: I merely wanted to ask the distinguished Senator from California a question. Did I understand the Senator from California to say the autumn election, or the "fall" election?

MR. SHORTRIDGE: That was funny when I first heard it. . . . I happen to be, if not captain of my soul, master of myself.

MR. HARRISON: Is the Senator captain of his colleagues over there?

MR. SHORTRIDGE: Some of my colleagues are not—well—

MR. HARRISON: I did not understand the Senator's reply.

MR. SHORTRIDGE: Some of my colleagues are not—

MR. HARRISON: What was the Senator's reply?

MR. SHORTRIDGE: As Hamlet says, "The rest is silence."

* * *

MR. COOPER (Wis.): Can you not briefly summarize a few of the most essential and important items of diplomatic usages? Just what do you mean?

MR. WRIGHT (Third Asst. Secretary of State): . . . The difference between embassies, legations and diplomatic agencies; the difference between ambassadors and ministers, between *chargés d'affaires*, *chargés d'affaires ad interim*, and *chargés d'affaires appointed not ad interim* . . . the difference between first person notes . . . and third person notes . . . between memoranda and aides memories. . . . I could elaborate that further if you desire.

MR. COOPER: I do not desire any more elaboration.

MR. WRIGHT: Those are instances that occur to my mind.

MR. COOPER: I am sufficiently confused now. I was just wondering how much knowledge the average applicant from Arizona or from my state would have of these different terms or functions. . . .

MR. MOORE (Va.): Do you think you could pass it?

MR. COOPER: I might if I had sufficient time for preparation.

MR. MOORE: Would you do it for \$4,000 a year?

MR. COOPER: I might pass it with preparation and if I had a friendly board.

THE CHAIRMAN: Especially the friendly board.

* * *

MR. FREAR (Wis.): I received a telegram as I sat here a moment ago asking that I vote for the Mellon plan; but not one Member of this House is going to be permitted to vote for the Mellon plan. The serious part of that is—and I ask the attention of the Republican leader . . . to protect me from a letter that I received this

morning threatening that I am going to be shot unless I vote for the Mellon plan. . . . My Republicanism has been assailed because I have stood here and not voted for this indefensible proposition. Why, my own father—I think he is now in the gallery; he is here a good deal of the time—voted for Fremont and for every other presidential Republican candidate ever since. I have voted for every Republican presidential candidate for the last 30 years. . . .

MR. MILLS (N. Y.): Mr. Chairman, as a life-long Republican, the father of the gentleman from Wisconsin must have been proud of the applause his son received on the Democratic side of the House.

MR. FREAR: I shall be glad to answer that later on.

MR. MOSES (N. H.): The Senator from Nebraska need have no fear whatever about the safeguarding of the Treasury so long as the Senator from Wyoming (Mr. Warren) and the Senator from Utah (Mr. Smoot) sit on the Appropriations Committee, and I hope their days will be long in that body.

MR. NORRIS (Nebr.): But they are both getting old. Does not the Senator see that?

MR. SMOOT (Utah): I resent that suggestion.

MR. WARREN (Wyo.): I resent it, too!

MR. MOSES: They are still very vigorous, however, as I know, because I am sitting with them on a subcommittee of the Committee on Appropriations.

MR. NORRIS: I know that; but the very fact that both of them resented it so quickly is a further evidence of their declining years.

MR. WARREN: Why, Mr. President, the Senator who makes the suggestion is as old as we are.

MR. NORRIS: When the Senator says "You are just as bad as I am," that is further evidence that he is pretty bad himself.

MR. CELLER (N. Y.): If you have a gift tax, do you not discourage the object of the inheritance tax?

MR. GARNER (Tex.): I cannot understand that you do. If Mr. Rockefeller gives \$500,000,000 to Rockefeller, Jr., why should you not have a gift tax?

MR. CELLER: Does it not put a man in a position where he is damned if he does and damned if he does not?

MR. GARNER: I think, as far as these taxes are concerned, that is just what we want—to damn if he does and damn if he does not.

MR. CARAWAY (Ark.): Did the gentleman ever see an expert who was not on the side of the party that brought him to the discussion?

Wherein Is Talk of "Experts" and of Their Breeding Place

MR. RANSDELL (La.): I have had no experience with experts, I will say to the Senator.

MR. CARAWAY: May I suggest to the Senator that a good many of those who

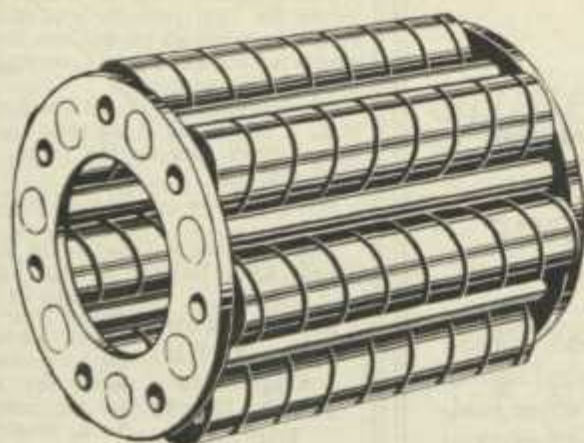
appeared before the committee were from Louisiana, from the City of New Orleans. They were evidently agreed that you could make more cotton on an exchange than you could in all the cotton fields of the South. . . .

MR. RANSDELL: I do not know what constitutes an expert, but I remember very distinctly there appeared a young man from Little Rock, Ark. I have forgotten his name.

MR. CARAWAY: I will tell the Senator his name.

MR. RANSDELL: . . . He certainly impressed me as being a truthful, high-grade man, such as Arkansas produces in very large numbers, I would like to say to the Senator.

MR. CARAWAY: Of course I thoroughly endorse the last statement the Senator made. The gentle-



When Competition Is Strong And Costs Are High

Growing competition and rising manufacturing costs emphasize the advantages of dependable machinery.

In recent years the increasing demand for better equipment has induced numbers of manufacturers to standardize on Hyatt roller bearings, both in the machines they employ and in those which they build.

Not only the high quality of Hyatt bearing machinery, but the economies in power, lubricant and labor effected through its use are becoming of added value.

Considered as long term investments, these modern bearings yield a return that warrants your investigation.

HYATT ROLLER BEARING COMPANY
NEWARK DETROIT CHICAGO SAN FRANCISCO
WORCESTER MILWAUKEE HUNTINGTON MINNEAPOLIS PHILADELPHIA
CLEVELAND PITTSBURGH BUFFALO INDIANAPOLIS



LONDON BUREAU
THE CHRISTIAN SCIENCE MONITOR

The Whole World's Newspaper

AMONG the thousands of daily newspapers published all over the globe, there is one whose readers are to be found in every country and every important city of the world.

This newspaper is The Christian Science Monitor, founded and conducted in order that thinking people everywhere may have for their homes and their offices a newspaper clean in its contents and constructive in its policies.

Because it is an international newspaper, the Monitor has been welcomed as a participant in the British Empire Exhibition, at Wembley, London, April to October of this year, and will have a commodious pavilion in the Exhibition grounds. Here a welcome will be extended to visitors from all countries.

The European Advertising Office of The Christian Science Monitor is at No. 2, Adelphi Terrace, London, W. C. The hospitality of this office is also extended to Exhibition visitors, and to American advertising men who participate in the Convention of the Associated Advertising Clubs of the World, in London, July 13-18.

On Thursday, March 13, The Christian Science Monitor published a special news and advertising section containing articles and illustrations of permanent interest, relating to the British Dominions. One hundred thousand extra copies of this feature section will be distributed in England.

We will gladly send to any reader of this advertisement, upon request, a copy of The Christian Science Monitor of March 13, containing the British Dominions Feature Section.

The Christian Science Monitor

An International Daily Newspaper
Back Bay Station, Boston, Mass.

PAVILION OF
THE CHRISTIAN
SCIENCE MONITOR
AT THE BRITISH
EMPIRE EXHIBITION



When writing to THE CHRISTIAN SCIENCE MONITOR please mention the Nation's Business

man who appeared before the committee as an expert was Mr. Sidney West.

MR. RANSDELL: I think that was the name.
MR. CARAWAY: He never saw a cotton field in his life. He probably studied cotton in the cotton exchange all his business days and therefore was an authority on cotton growing, and a mighty fine man.

MR. RANSDELL: I do not know anything about that. I think most of the great men in Arkansas started their lives on the farm. Perhaps Mr. West did not.

MR. CARAWAY: . . . He came up from Louisiana.

MR. LONGWORTH (Ohio): The gentleman from Illinois (Mr. Rainey) in reply to the speech delivered by the gentleman from New York (Mr. Mills), without attempting to answer in any respect the argument of the gentleman from New York, sought to discredit him by reading a list of certain corporations with

Mr. Longworth Jibes at His Opponents and the Jibe Is Returned

which the gentleman from New York is connected as director—the Shredded Wheat Co., and other corporations. He said that no man connected with these corporations could properly voice the hopes and aspirations of plain people like himself and myself. I entirely agree with the gentleman from Illinois in one respect. I decline to be represented by any man who makes shredded wheat. I regard it as one of the most obnoxious of foods . . . I desire to congratulate in all good fellowship and friendliness the leadership upon the Democratic side . . . in perpetuating tax-exempt securities. . . . You will be able to go to Mr. Baruch, or Mr. Cleveland Dodge, or to Mr. Edward L. Doheny, your three great campaign angels, and say to them, "Gentlemen, we are going to put a tax of 44 per cent on your incomes, but do not overlook the fact that we have stood almost solidly for making you pay no taxes whatever."

MR. GARRETT (Tenn.): Mr. Chairman, will the gentleman yield?

MR. LONGWORTH: I yield with pleasure to the distinguished leader.

MR. GARRETT: Does the gentleman think that Mr. Doheny will have any money to spare for campaign contributions after buying Republican Cabinet officers?

MR. LONGWORTH: . . . To my certain knowledge he will have \$100,000 because that is the difference between what he testified he had given to a certain gentleman who was, up to a few days ago, the favorite candidate for the Presidency. . . . Mr. Doheny admits that he was mistaken when he said he gave him \$250,000, and says that he gave him only \$150,000. Therefore, there is \$100,000 which he can turn over to your campaign chest. . . .

MR. GARRETT: . . . There is no suggestion that Mr. Doheny was able at any time to reach any Democratic official who was in office. Mr. Doheny did employ some Democratic lawyers. He wanted honest lawyers, of course.

MR. STENGLE (N. Y.): Today you have the facts before you, gentlemen. I hold here a slight illustration of the work that has been so illegally and unjustly done, a list of 200 employees in one department of the city doing exactly the same work, performing exactly the same duties, at four different kinds of salaries that are divided according to the rule, I suppose, of "pets," "near pets," and "no pets at all."

MR. WEPALD (Wis.): I hope, for the benefit of the people who live in the Red River Valley, the amendment will pass to give us three months more credit facility. From the seed potatoes that we ship down to Texas are grown the potatoes the orators of the country eat. Those potatoes are the best they eat, and that is what has given them their inspiration. These potatoes are usually shipped out during the month of March and the additional credit will help much in the marketing of them.

Economic Surveys of New York

NEW YORK City is taking comprehensive inventory of her industrial and economic resources through the Committee on the Plan of New York and Its Environs. The committee's surveys will comprehend a plan of development for an area of about 5,528 square miles with a resident population approximating 9,000,000. Reports will be made on twelve of the principal economic activities of the metropolitan area. The reports will indicate the existing location and importance of the activity, with its growth and movement during the last twenty-five years, and its probable future demands.

Reporting on the chemical industry, selected for the first survey, Dr. Mabel Newcomer finds that the number of chemical plants in New York and its environs has more than doubled and the number of employes has nearly trebled since 1910; that the most rapidly growing branches of the industry are heavy chemicals, explosives, and toilet preparations, all of which have at least quadrupled their number of employes since 1910; that soap making, grease rendering, oil pressing and refining, and manufactures of paint and varnish and fertilizer have disappeared entirely, or are rapidly leaving Manhattan; and that the chemical industry probably will continue to move from the center toward the periphery of the metropolitan area.

Plants in Brooklyn and Queens occupy their sites for a longer period of years than do plants in Manhattan, according to the findings of Dr. Newcomer. All except two out of 16 of the plants in Brooklyn and Queens have been in their present location at least 20 years, as compared to 3 out of 13 Manhattan plants in possession of their present sites for a similar period. Staten Island has a small number of relatively large plants but has experienced little growth in recent years. The outskirts of the New Jersey section have developed chemical manufactures considerably.

Other outstanding facts revealed by the investigation are included in Dr. Newcomer's monograph, which is presented in a 49-page pamphlet with 7 maps.

Is This a Record?

IN THE Guyan valley of West Virginia is a coal mine with a remarkable record of operation. The mine is owned by the Gay Coal & Coke Company of Logan. During the nineteen years of operation there has been no fatality, no strike, no shut down. From the mine the company has taken 2,500,000 tons of coal. To accomplish that production 500,000 blasts were necessary.

There is no mystery in the company's record. Since the company's organization its affairs have been managed by the Gays, father and son. "We were very fortunate," the son writes, "in being able to gain the confidence of the first native West Virginians we employed, and this confidence, to a certain extent, has continued through the unsettled labor conditions during and after the war." The company has been diligent in safeguarding the men both by mechanical means and by assuring approved methods of mining.

Probably the success of the Gays comes down to their fellow feeling for the miners—they always considered them "more than machines." And so they are. The machine is the creature of man—useful and safe only when he wills it to be. All industrial relations could be predicated on the text "men are more than machines."

Stone & Webster Horse Power Measured by Cities

THE combined capacity of the power stations designed and built, or now being built, by the Stone & Webster organization is a substantial part of the country's total.

It would supply the needs of the consumers in Baltimore, Boston, Buffalo, Cincinnati, Cleveland, Dallas, Detroit, El Paso, Fall River, Hartford, Indianapolis, Los Angeles, Milwaukee, Minneapolis, New Bedford, New Orleans, Portland, Oregon, Pittsburgh, St. Louis, San Francisco, Savannah, Seattle, Washington, D. C., and Youngstown.

Most of these cities now receive or soon will receive power from stations designed and built, or now being built, by Stone & Webster.

STONE & WEBSTER INCORPORATED



NEW YORK, 120 Broadway
SAN FRANCISCO, Holbrook Bldg.

CHICAGO, 38 S. Dearborn Street
PHILADELPHIA, Real Estate Trust Bldg.

BOSTON, 147 Milk Street

Toronto Canada— A City Beautiful

The Dome of the Dominion

The advertisements we have heretofore published, have been designed primarily to interest industrial captains in Toronto, the Capital City of Ontario.

Of equal importance to its industrial advantages, however, from a civic standpoint, are its qualifications as a place of residence—its scenic attributes and its physical attractions.

Toronto has 64 parks and 546 miles of streets—well-paved streets—many of them beautiful boulevards. Additional boulevards now building, or projected, total 32 miles. It has 1,873 acres of parks in its total area of 40 square miles. There are 28 equipped playgrounds. There are 18 golf courses within a radius of 6 miles, two of them being Municipal links.

In the Sunnyside Amusement Area—owned by the Toronto Harbor Commission—is one of the best equipped and most beautifully designed amusement fields on the continent.

Island Park, with its large, natural recreation ground; Hanlon's Point, an amusement center and the home grounds of the Toronto Baseball Club; Exhibition Park, extending one mile along the scenic shores of Lake Ontario, containing 264 acres of marvelous beauty, with 80 buildings having valuable and instructive permanent exhibits.

On the civic side, Toronto, Canada, has a ten million dollar Union Station, scores of theatres, a wonderful Coliseum seating 12,000—ideal for conventions, the Royal Ontario Museum, beautiful Parliament buildings, City Hall and other Government buildings, 91 standard hotels and nearly 500 churches, many of them most stately and imposing structures.

Sixty-three per cent of Toronto's people own their own homes. Its water, light, street railway systems and abattoir are publicly owned.

So Toronto, Canada, being a wonderful place to live, attracts the best class of citizens. They in turn form a substantial patronage for her industries. In addition, Toronto products serve much of the entire Dominion of Canada. The value of products manufactured in Toronto annually is \$600,000,000.

The Toronto Publicity Bureau is here to serve you. All inquiries will be considered confidential. Address Robert M. Yeomans, Executive Secretary, Toronto Publicity Bureau, 302 Bay St., Toronto, Canada.

The Logical Location

News of Organized Business

THE USE of central delivery systems as a means of lowering distribution costs is advocated in an illustrated pamphlet issued by the Domestic Distribution Department of the Chamber of Commerce of the United States. The term "delivery," as used in the pamphlet, is restricted to the delivery of merchandise over short distances, such as from a retail store to the address of a customer, or from a railway or steamboat to a store or warehouse in the same city. The pamphlet asserts that

According to the most authentic collection of figures obtainable retail deliveries conducted by individual store owners cost between .04 per cent and 3.0 per cent of net sales. Although these percentages are the minimum and maximum it is not possible to know an average percentage, but a common percentage is about 1.5 per cent. This establishes the cost of deliveries as an important factor in distribution.

Almost every conceivable kind of transportation is employed in conducting deliveries, from the little boy, with or without a go-cart or a bicycle, to an expensive form of automobile. Consequently there are as many forms of waste to be found by analyzing the cost of deliveries as can be discovered in any other of the costs of doing business.

In order to estimate some of this waste in distribution, the department urges merchants to combine their deliveries and offers the suggestion that in many places an experienced trucking organization might be most desirable for a centralized delivery system. Quoting further from the pamphlet, three reasons are found for this belief:

First, trucking firms already are experienced in conducting work of very much the same character and know the peculiar difficulties attending the collections and deliveries of merchandise for many different concerns.

Second, almost all trucking organizations are provided with more or less complete warehousing facilities and it will be seen that a central station for reassembling the packages which have been collected is a necessary part of the system in which warehousemen already are supplied with all the facilities and experience necessary for the economical performance of the work. Also very probably it may be discovered that a suitably located warehouse will be found a great convenience by many retailers for the storage of their surplus stocks.

Third, it is but a short step from the work performed by a centralized delivery system to the collection of merchandise consigned to retail establishments and the delivery of this merchandise from the freight station and steamship docks to the consignee; and there is a logical extension of this service to include the collections and deliveries for wholesale establishments since the problems involved do not differ materially from those prevailing in retail deliveries.

Charts are used in the pamphlet to show the duplications which are unavoidable in individual deliveries as compared with a centralized delivery system, adding emphasis to the economies which are made possible by means of the latter plan.

A copy of the pamphlet is obtainable free on application to the Domestic Distribution Department, Chamber of Commerce of the United States, Washington, D. C.

Series on Retailers' Expenses

A PAMPHLET on Retailers' Expenses has been announced by the Domestic Distribution Department and has aroused widespread interest among retailers, chambers of commerce and trade associations. This subject matter deals with eleven expense items, each treating in a concise and direct manner the proper method of allocating various costs of doing business in eight retail lines. The actual figures are preceded by an informal, rather breezy comment on the impor-

tance of the cost item treated in that particular section. Salaries and Wages; Rent; Advertising; Depreciation; Bad Debts; Taxes and Insurance; Interest; Office Supplies; Heat, Light and Power; Unclassified Expenses; and a General Summary are the titles.

With the pamphlet a retailer will be able to compare his own costs of doing business with the figures most common in his trade, thus getting an idea of his comparative efficiency and of where he should cut expenses. He will also be able to treat these costs on his books in accordance with approved practice.

In digesting this information there are no voluminous tables or ponderous text to wade through, each section having been designed to give the facts in the smallest possible compass.

Although the announcement was sent out less than two weeks ago, requests have been received for more than 100,000 copies of the series. The first pamphlets will be off the press in two weeks. One copy will be sent free to anyone who requests it from the Domestic Distribution Department.

The Retailers' Expense Series dovetails with a pamphlet, "Planning Your Business Ahead," which has also been prepared by the Domestic Distribution Department. This pamphlet contains a complete budget system for small retail stores, with sample forms and illustrative figures shown. Adoption of the suggested budgetary control, or a similar system, together with the correct treatment of costs of doing business, should result in closer control and more efficient management in retail stores.

Chinese Commission Visits Cities

A CHINESE industrial commission, headed by Chang Chien, Jr., made a tour of representative industrial cities of the United States and also called at the offices of the Chamber of Commerce of the United States in Washington. The members of the commission were interested in observing and studying American industrial and commercial enterprises.

The commission included Chang Chien, Jr., representative of the Chinese national chamber of commerce; Chungtao T. Chu, first secretary; T. C. Hsi, secretary; Alexander Lee, attaché; W. Chang, attaché; C. F. Hsu, attaché; D. C. Hsu, attaché; and C. C. Chien, attaché.

The commission's itinerary included Washington, Philadelphia, New York, Boston, Schenectady, Buffalo, Pittsburgh, Detroit, Chicago, St. Louis, Los Angeles, San Francisco and Seattle.

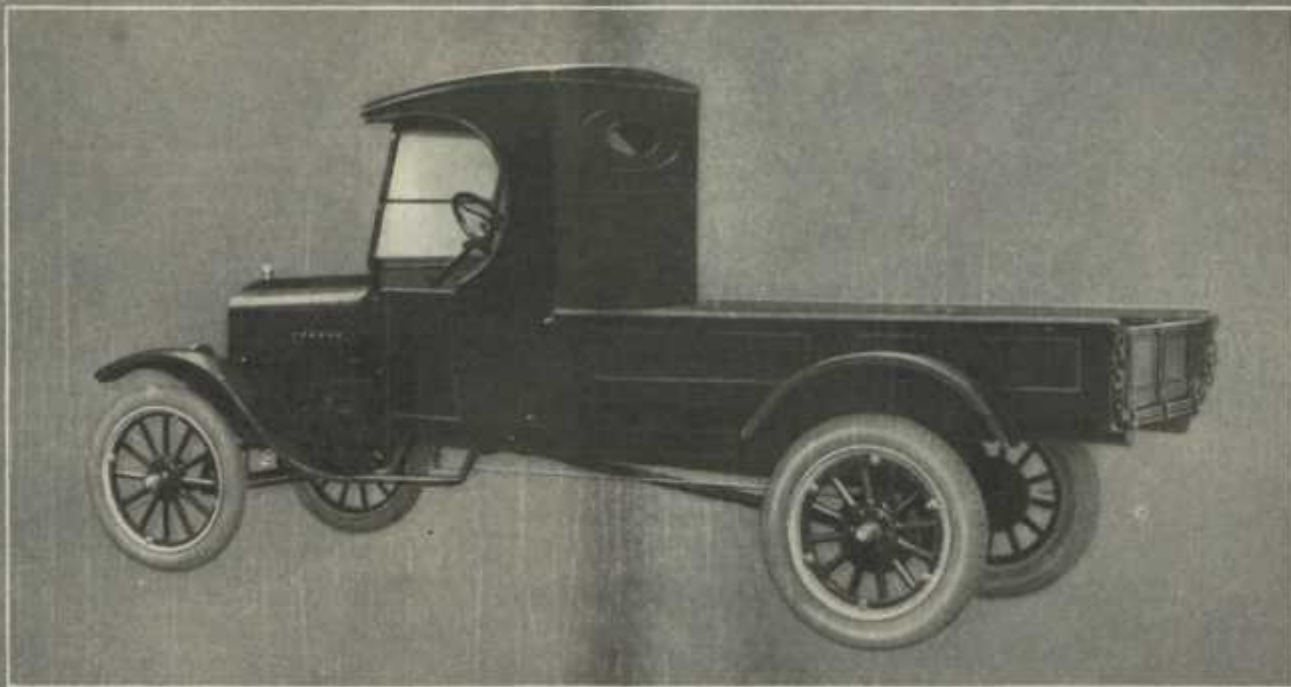
The tour began on January 30, and the commissioners expected to sail for Japan on March 20.

Employers Give Service Buttons

THE TRI-CITY Manufacturers Association, which includes the cities of Rock Island, Moline, and Davenport, has awarded gold service buttons to 163 workmen who have been employed 35 years or more in plants operated by members of the association. The presentation of the service buttons was made at the association's annual dinner. Plans for the presentation of the service buttons were based on an article in THE NATION'S BUSINESS, telling of the recognition accorded veteran workmen by manufacturers of Wilkes-Barre.

Four hundred representatives of factories in Moline, East Moline, Rock Island, Davenport and Bettendorf attended the dinner of the Tri-City Association. William Butterworth, of Deere & Company, president of the association, was the presiding officer. W. A. Rosenfield, mayor of Rock Island, was toastmaster at the dinner, and presented the service buttons. Addresses were made by Dr. G. W. Dyer, professor of social science at Vanderbilt University, and Charles L. White, of Moline. A musical program was a feature of the dinner.

Dr. Dyer spoke on industrial freedom. Of the American theory of industrial life he said that a study of the constitution and the law disclosed that it is the freedom of the individual



The new Ford all-steel body and weather-proof cab mounted on the Ford worm drive chassis at \$490 f. o. b. Detroit, is the world's lowest priced complete one-ton truck.

A Preference Based on Quality

There is deep significance in the fact that 78% of all trucks of one ton or less capacity in the United States are Fords.

This overwhelming preference for Ford haulage units has its basis in the low cost of Ford transportation, the rugged construction of the truck itself, and its unusual adaptability to every line of industry.

Mechanical excellence, simplicity of design and ample power are further factors that have contributed to the popularity of the Ford One-Ton Worm Drive Truck.

As a logical step in providing dependable transportation at the lowest possible cost, the Ford Motor Company is now producing an all-steel body and steel weather-proof cab mounted on the Ford Truck Chassis, selling at the remarkably low price of \$490.

Merchants standardizing their delivery systems on Ford One-Ton Trucks have available the facilities and assistance of over 33,000 Authorized Ford Service Stations, conveniently located to their business.

Ford Motor Company
Detroit, Michigan

See the Nearest Authorized Ford Dealer

Ford
CARS · TRUCKS · TRACTORS

FV-58

NORTON FLOORS



SAFE—Never get slippery
DURABLE—Shoe leather
doesn't wear them out

Norton Floors are exactly suited to bear the unusual wear and to eliminate the slipping hazard in front of much-used or dangerous machinery.

Alundum abrasive, the toughest of all known abrasives and used for years as the cutting material in grinding wheels, gives Norton Floors a slip-proof surface and the ability to stand up under the severest conditions.

Neither grease, oil nor water will destroy their slip-proof effectiveness.

Laid flush with the rest of the floor there is nothing to trip on and they will always remain flush.

There are Norton Floors suitable for use in the most magnificent of modern buildings or for industrial purposes—Alundum stair and floor tile, treads and platforms.

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ORILLIA, CANADA

ORILLIA—A thriving Industrial Ontario Town.

ORILLIA—Served by through lines of the Canadian National and Canadian Pacific Railways.

ORILLIA—Located on the Trent Valley Waterways.

ORILLIA—Owns her own Hydro Electric Power Plant developing 6,000 HP. She has a surplus of 3,000 HP. for sale to Manufacturers at \$11.90 net per HP. per annum.

ORILLIA—The community spirit makes labour troubles unknown.

ORILLIA—Located on an eighty-five foot motor highway extending from Buffalo, N. Y., to North Bay, Canada.

Canadian and American Manufacturers should investigate Orillia before locating their plants. For further particulars apply Geo. H. McLean, Mayor, Orillia.

to follow any occupation he chooses, to go when and where he pleases, and to sell his labor where he pleases and under any conditions he pleases without any sort of restriction. Of wage theories he said:

The union theory is that the man should be paid what he needs, then he should demand shorter hours and then do as little as he has to within those hours.

When a group of men is paid more than is warranted by the law of supply and demand, the employer doesn't pay it, but the rest of the people pay a bonus to these workers. That is the farmer's problem. He is the only worker who is going under the law of supply and demand.

Hotel Is a Chamber Project

THE COST of administration of the Hotel Ashtabula building project at Ashtabula, Ohio, by directors of the chamber of commerce and other volunteer workers has amounted to only \$21 in four years. The hotel was conceived and completed by the chamber of commerce. At the annual meeting of the building company, the president announced that during the year \$12,500 had been paid on the company's indebtedness, which has been reduced \$59,000.

Buyers to Meet in Boston

THE NINTH annual international convention of purchasing agents will be held during the week of May 19 in Boston under the auspices of the National Association of Purchasing Agents. In connection with the convention an "Informashow" will be set up in Mechanics Hall.

The "Informashow" will include exhibits of manufactured products, and manufacturers will have opportunity throughout the week to demonstrate the qualities of their products to the purchasing agents at the convention. Arrangements for exhibition space may be made by addressing J. A. Gibson, Simplex Wire & Cable Company, 201 Devonshire Street, Boston.

About 3,000 purchasing agents are expected at the convention.

Shreveport's Budget \$100,000

SHREVEPORT'S chamber now has available \$220,000 for use in promoting the industrial development of the city. A budget of \$100,000 has been approved by the board of directors. In addition to the amount made available through the action of the directors, the chamber has a special fund of \$120,000 for the promotion of new industries and national advertising, making a total of \$220,000 at the chamber's disposal.

The chamber expects to expand the work of its traffic bureau, to give greater publicity to the city, to develop the agricultural lands near the city, to continue support of good roads construction, to develop navigation on the Red River, to aid in the development and the conservation of Shreveport's oil and gas resources, and to interest national organizations in Shreveport as a place for holding conventions.

Gift of Park Land for Muskegon

THE MUSKEGON chamber has obtained a gift of 113 acres of land for park development from the Pere Marquette Railway. The land, in two parcels along the shore of Lake Michigan, is valued at \$50,000. Acquisition of that land, which is adjacent to the new Muskegon state park, will make possible an internal boulevard system 90 miles long. A considerable part of the boulevard system has been built. Shortly before the gift of land was announced, the chamber completed negotiations through which the state accepted title to Muskegon state park, an 855-acre tract of dune land on the shore of Lake Michigan. The state paid \$25,000 of the purchase price of \$55,000 for the land and will develop it as a state park.

The chamber also obtained a pledge from the state administrative board that paving on the west Michigan pike, which now extends from

Chicago to Hart, north of Muskegon, would be continued to Traverse City, 85 miles north of Hart, during the next two years. The improvement will require an expenditure of about \$2,500,000.

Resolutions on Defense Policy

RESOLUTIONS on the military and naval policy of the United States have been passed by the board of national defense and approved by all the civic organizations of Asheville, North Carolina. Copies of the resolutions have been sent to chambers of commerce throughout the country, to luncheon clubs, to American Legion posts, and to governors of the states, to the Senators and Representatives of North Carolina in the Congress, and to the Secretary of War and the Secretary of the Navy.

The resolutions recommend congressional support of the National Defense Act of 1920, "with appropriations sufficient and adequate to carry out the purpose and intent of that act;" "that the present strength of the navy in personnel should be increased by Congress to a point sufficient to enable the United States Navy to put to sea with a battle strength allowed this nation under the disarmament treaty;" and "that citizenship of Asheville and of western North Carolina and more especially that portion constituting the membership of this body be urged to personally support the Government in its local military and naval activities."

The resolutions were approved by the directors of the Chamber of Commerce, the American Business Club, the Kiwanis Club, the Civitan Club, the Rotary Club, the Clearing House, the Merchants Association, the Lions Club, the Optimist Club, the Elks Lodge, and the Buncombe County Medical Society.

Washington to Be Convention City

THE TENTH annual meeting of the National Association of Commercial Organization Secretaries will be held at Washington, D. C., October 20, 21 and 22. The convention will be held in the new building of the Chamber of Commerce of the United States. The secretaries will have opportunity to visit government departments so that they may be informed of the relation of government activities to their own work. Program suggestions should be sent to Roy S. Smith, executive manager of the chamber at Albany, N. Y., who is chairman of the program committee.

New Slogan for Waterbury

WATERBURY, Connecticut, now has a new slogan—"Waterbury, the Brass Center of the World"—selected by the Advertising Club from the entries in its slogan contest. A prize of \$25 was offered for the best slogan. The winning slogan has been adopted by the directors of the Waterbury Chamber of Commerce. The manufacture of brass is the chief industry of Waterbury.

Salaries and Wages in Boston

AN INVESTIGATION of labor conditions by the Boston chamber has disclosed a present difference of 27 per cent between the levels of earnings of office workers and factory workers in favor of the office workers. At the beginning of the World War the average salary of clerical workers in Boston was 61 per cent above the average factory job wage, but by the end of the war the difference had been equalized. The upward trend of wages during the war helped to break down prejudice of young men against so-called "overall jobs."

Providence Has Business Library

A LIBRARY for the use of business men is now available at the Providence chamber of commerce. The library is operated as a branch of the public library. Addresses were made at the formal opening of the branch library by Thomas F. I. McDonnell, president of the chamber of commerce, and Henry B.



Little Fire—Big Loss!

MONEY will rebuild the wall and fix up the physical damage. *That* isn't the heartbreaking part! Think of the days and weeks that have gone into the preparation of mailing lists, card records, drawings, schedules, accounts. Think of having it all to do over again. The time-loss and *disorganization* that follow even a little fire are what cost the real money.



VAN DORN SAFES

You arrange the interior as you wish by using standard sections.

If you had provided Van Dorn Safes, they with their cargo of live records could have been wheeled into the next room, and your work could have gone right along. Business doesn't consist of *things*. It consists of *activities*. And all the tools of your activities should be locked up safely *every night!* May we send Safe Catalog?

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MASTER-CRAFTSMANSHIP IN STEEL

ORIGINAL DESIGNERS AND MANUFACTURERS OF STANDARD STEEL BUILDINGS



Build as You Need

THINK of putting up an original factory or addition *this* month and adding to it a bit each month just as your business grows.

Think of having immediate use of your needed buildings, so they may earn at once.

Think of having high-class fire-proof construction at lowest cost made possible through quantity production of "made in the shop" buildings.

No wonder we find, on every hand, Blaw-Knox Buildings used for every purpose. Their practical economies have appealed to every industry.

Blaw-Knox Standard Steel Buildings, with their exclusive merits, are now the first and final choice. Only in Blaw-Knox Buildings is the copper-bearing steel heavily galvanized and the design and construction such as to completely defeat rust. The double insurance against rust reduces maintenance to almost nothing. Saving in paint alone is a big item.

Then, too, Blaw-Knox has perfected a patented roof construction that is absolutely watertight. This, with Blaw-Knox leakproof Skylights, makes a water tight roof in many ways more advantageous than the ordinary kind.

With their low cost, high quality, immediate use and flexibility, Blaw-Knox Standard Steel Buildings have effectively solved the building problem.

Blaw-Knox Serves Every Industry

The Blaw-Knox Company are pioneer engineering manufacturers.

Their famous traveling steel forms have added to the efficiency and speed of all big concrete projects, such as the Panama Canal.

Wherever bulky material is handled, Blaw-Knox Clamshell Buckets speed the work and cut the cost.

In building America's highways Blaw-Knox Road Plant and Equipment have greatly advanced progress in highway construction.

Knox water-cooled equipment has substantially increased the life of high temperature furnaces.

Transmission Towers convey power and light to communities the world over.

The process of forge and hammer welding has made possible the Blaw-Knox seamless steel in necessary to the refining of crude oil by-products.

Steel Forms have greatly simplified concrete construction from sewers to subways, from sidewalks to skyscrapers.

Long experience as structural steel manufacturers and engineers gave the Blaw-Knox Company the knowledge so necessary to perfect the Standard Steel Building to meet the diversified needs of all industry.

Get These Books

Many business men have said this book on the Building Finance Plan is one of the most interesting outlines of financing industrial buildings that they've ever read. Glad to send you a copy. Why not ask for it NOW?

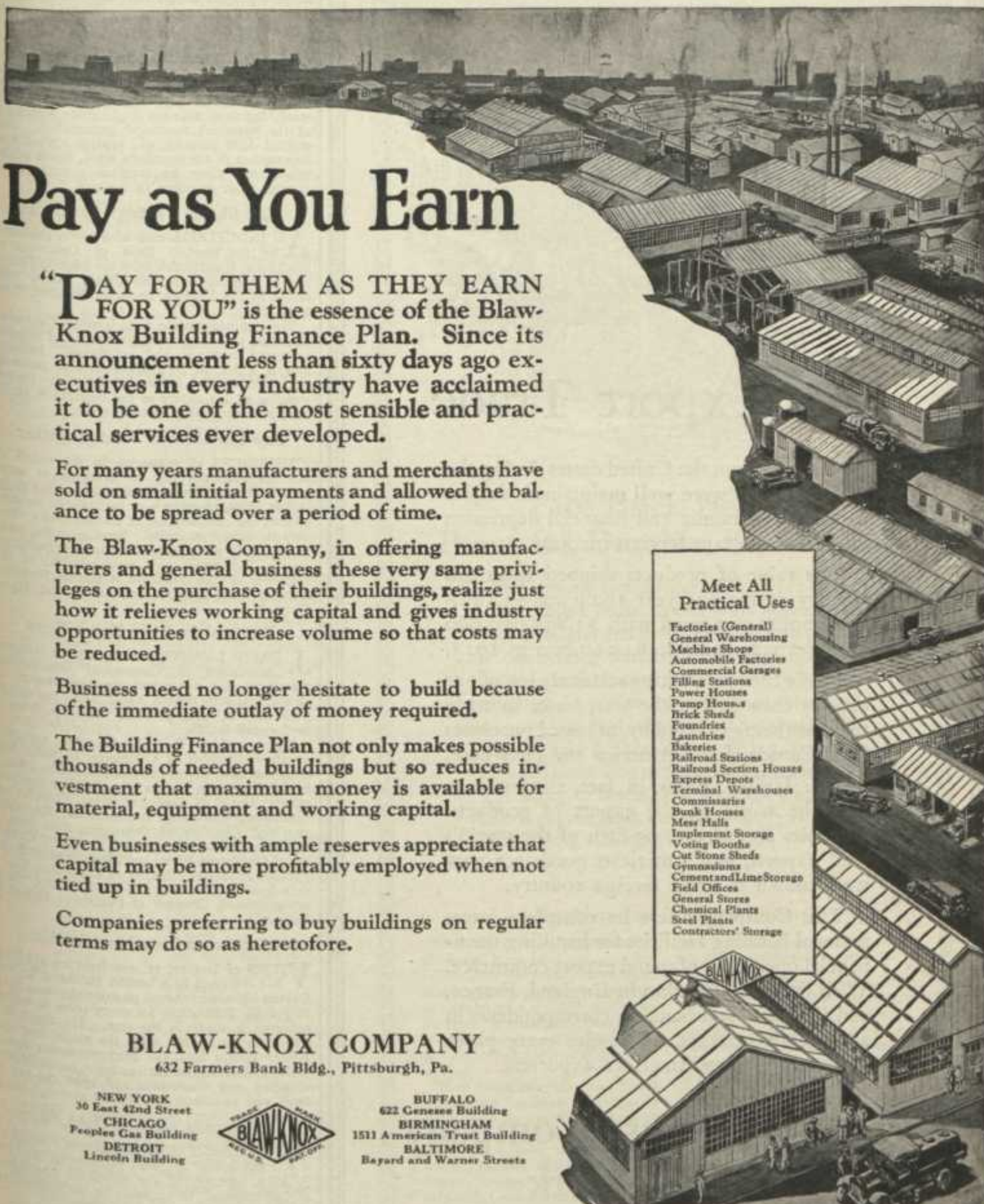
Here's a story that you'll like. You'll have an entirely new and more comprehensive birds-eye of present-day building methods. Ask for a copy of "The General Manager Solves the Building Problem."

BLAW-KNOX

From Shop to Job in Standard Units

When writing to BLAW-KNOX COMPANY

A NEW ERA IN INDUSTRIAL CONSTRUCTION AND FINANCE



Pay as You Earn

"PAY FOR THEM AS THEY EARN FOR YOU" is the essence of the Blaw-Knox Building Finance Plan. Since its announcement less than sixty days ago executives in every industry have acclaimed it to be one of the most sensible and practical services ever developed.

For many years manufacturers and merchants have sold on small initial payments and allowed the balance to be spread over a period of time.

The Blaw-Knox Company, in offering manufacturers and general business these very same privileges on the purchase of their buildings, realize just how it relieves working capital and gives industry opportunities to increase volume so that costs may be reduced.

Business need no longer hesitate to build because of the immediate outlay of money required.

The Building Finance Plan not only makes possible thousands of needed buildings but so reduces investment that maximum money is available for material, equipment and working capital.

Even businesses with ample reserves appreciate that capital may be more profitably employed when not tied up in buildings.

Companies preferring to buy buildings on regular terms may do so as heretofore.

Meet All Practical Uses

Factories (General)
General Warehousing
Machine Shops
Automobile Factories
Commercial Garages
Filling Stations
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Pump Houses
Brick Sheds
Foundries
Laundries
Bakeries
Railroad Stations
Railroad Section Houses
Express Depots
Terminal Warehouses
Commissaries
Bank Houses
Mess Halls
Implement Storage
Voting Booths
Cut Stone Sheds
Gymnasiums
Cement and Lime Storage
Field Offices
General Stores
Chemical Plants
Steel Plants
Contractors' Storage

BLAW-KNOX COMPANY

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NEW YORK
36 East 42nd Street
CHICAGO
Peoples Gas Building
DETROIT
Lincoln Building



BUFFALO
622 Genesee Building
BIRMINGHAM
1511 American Trust Building
BALTIMORE
Bayard and Warner Streets

Pay for Them
as They Earn for You **BUILDINGS**

Please mention the Nation's Business



Our Export Trade

EXPORTS from the United States during the past year were well maintained, despite the acute economic and financial depression in some important foreign markets.

The value of products shipped from this country during the year 1923 was \$4,164,800,000, as compared with \$3,831,900,000 during 1922, and \$2,484,000,000 in 1913.

While Europe is taking relatively less of our exports than before the war, losses in trade there are being covered by increased purchases from Canada, Latin America and elsewhere.

The United States, in fact, continues to lead the world in the export of products. Our sales abroad are one-fifth of the world's total exports, and American goods are now well known in every foreign country.

This Company offers its complete international banking facilities for handling the financial operations of sound export commerce. With our own branches in England, France, and Belgium, and banking correspondents in all foreign markets, we render every phase of banking aid to American exporters.

Guaranty Trust Company of New York

MAIN OFFICE: 140 BROADWAY, NEW YORK

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

Gardner, president of the board of library trustees. They explained the purpose of the new library, and the service it is expected to render to business men.

A Manual for Chamber's Staff

AN OFFICE manual has been prepared by the chamber of La Salle, Illinois, for use by members of its staff. The manual presents the approved procedure for directing the chamber's work, together with an explanatory statement of the chamber's functional organization. The manual, it is believed, will provide against any interruption of the chamber's work, which might result were there no standard practice from changes in or additions to the staff.

Map Shows Sweden's Industries

AN INDUSTRIAL map of Sweden, published by the Swedish Bank of Commerce at Stockholm, is obtainable from the Swedish Chamber of Commerce in the United States, with offices in the Produce Exchange Building, New York City.

The map presents the main features, the varied character, and the general distribution of Swedish industrial resources and enterprises. Included also is a list of Sweden's industrial concerns, with their location shown on the map. Understanding of the nature of the concerns is facilitated by a vocabulary of trade terms.

Bay Chambers to Work Together

CHAMBERS of commerce in the region of San Francisco Bay are planning to cooperate in the commercial development of the entire region. Each chamber is to maintain its separate identity for consideration of matters which affect only its local community. Serving on the committee which recommended a central organization for the bay region were representatives of the chambers at San Francisco, Oakland, Berkeley, Alameda, San Leandro, San Mateo and Marin Counties.

Editorial Staff for Nacos News

J. DAVID LARSON, president of the National Association of Commercial Organization Secretaries, has announced the appointment of an editorial staff for the *Nacos News*, the official publication of the association. The appointments to the staff include:

Editor-in-chief, Paul B. Murphy, executive secretary, Chamber of Commerce, La Salle, Illinois; managing editor, Raymond B. Gibbs, Chamber of Commerce, Kansas City, Kansas; associate editors: Daniel N. Casey, secretary, Chamber of Commerce, Harrisburg, Pennsylvania; Ray Gill, secretary, Chamber of Commerce, Fort Smith, Arkansas; Roscoe H. Goddard, secretary, Chamber of Commerce, Worcester, Massachusetts; E. E. Jackson, secretary, Chamber of Commerce, Colorado Springs, Colorado, and W. L. Miller, managing director, Chamber of Commerce, Oakland, California.

Dayton as Seen from the Air

VIEWS of Dayton, as seen from an airplane, are described in a booklet published by the Dayton chamber. Aerial photography was used to provide illustrations for every scene to which reference is made in the text. The flight described in the booklet takes the reader over the Wilbur Wright field, the flood-prevention dam, McCook field, representative streets, parks, homes, churches, and commercial and industrial structures, and ends with the landing at South field.

Indianapolis and the Open Shop

A STATEMENT of the objective of "Industrial Indianapolis" has been prepared by Andrew J. Allen, secretary of the Associated Employers of Indianapolis. In emphasizing the desirability of a civic objective, Mr. Allen writes:

A city, like an organization, must have a laudable objective. It must have inspiration and freedom toward growth and expansion, including industrial relations. Industrial peace means uninterrupted production, steady em-

ployment, commercial activity, good business and financial strength and stability. Commercial prosperity and industrial activity are reflected in every direction in Indianapolis. Obviously, this healthy financial condition would not exist today if the production of our factories were halted or restricted by industrial disturbances.

Indianapolis is known throughout the country today as a safe place for business investment, and as one of the best cities for laboring people in which to live and work; a place where "management and labor" find a haven of refuge; where cooperation between employer and employe is the watchword, and where their mutuality of interest is both promoted and protected. The absence of labor troubles affords the best possible evidence that the open shop is a community asset.

The statement includes a brief review of labor troubles in Indianapolis. Of present conditions it says:

Today the story is reversed and industrial peace has become so firmly established here that strikes are now an infrequent occurrence.

Coming Business Conventions

April	City	Organization
1st week.....		National Baggage Manufacturers Association.
3.....	New York.....	Association of American Wood Pulp Importers.
5.....	New York.....	Wholesale Dress Manufacturers Association, Inc.
7.....	New York.....	Association of Marine Underwriters of the U. S.
7.....	Philadelphia.....	National Association of Hosiery and Underwear Manufacturers.
Wk. of 7th.	New York.....	American Paper and Pulp Association.
Wk. of 7th.	New York.....	American Drug Manufacturers Association.
Wk. of 7th.	New York.....	Binders Board Manufacturers Association.
Wk. of 7th.	New York.....	Cardboard Manufacturers Association.
Wk. of 7th.	New York.....	Converting Paper Mills Association.
Wk. of 7th.	New York.....	Cover Paper Manufacturers Association.
Wk. of 7th.	New York.....	Glazed and Fancy Paper Manufacturers Association.
Wk. of 7th.	New York.....	Gummed Paper Manufacturers Association.
Wk. of 7th.	New York.....	Tissue Paper Manufacturers Association.
Wk. of 7th.	New York.....	U. S. Pulp Producers Association.
Wk. of 7th.	New York.....	Writing Paper Manufacturers Association.
8.....	New York.....	Automobile Club of America.
8.....	Boston.....	New England Railroad Club.
24 week.....	New Orleans.....	Southern Hardware Jobbers Association.
9-10.....	Cincinnati.....	National Basket and Fruit Package Manufacturers.
16-17.....	Cleveland.....	National Warm Air Heating and Ventilating Association.
17-19.....	Birmingham.....	Southern Wholesale Confectioners Association.
23-25.....	New Orleans.....	Southwestern Public Service Association.
23-24.....	New York.....	National Metal Trades Association.
25.....	Atlantic City.....	Glass Container Association of America.
25-26.....	Washington.....	Association of Scientific Apparatus Makers of the U. S. A.
28-29.....	St. Louis.....	American Zinc Institute, Inc.
28-30.....	Buffalo.....	American Gear Manufacturers Association.
Last week.	New York.....	American Welding Society.
Last week.	Seattle.....	United Metal Trades Association of the Pacific Coast.
29-May 6.	Cleveland.....	Society of American Florists and Ornamental Horticulturists.

Other associations, which have tentatively announced conventions in April are: Associated Leather Goods Manufacturers of the United States, Inc.; Eastern Clay Products Association; Eastern Ice Manufacturers Association; Mahogany Association, Inc.; Middle States Furniture Manufacturers Association; National Association of Box Manufacturers; National Association of Ornamental Iron and Bronze Manufacturers; National Association of Upholstered Furniture Manufacturers; National Machine Tool Builders Association; Southern Automotive Equipment Jobbers Association; Southern Wholesale Dry Goods Association; Suspender and Belt Exchange; Western Cannery Association; Western Grain Dealers Association.



Face Brick Homes— Beautiful, Durable, Economical

THE alluring beauty and the long life of the Face Brick house have always appealed to home-builders; and now the American people are discovering that the Face Brick house is also the most economical. Savings in repairs, painting, depreciation, insurance rates, and fuel costs in a few years more than compensate for a slightly higher initial outlay. You will find a full discussion of these significant facts in "The Story of Brick." For your copy address, American Face Brick Association, 1730 Peoples Life Building, Chicago, Illinois.

Booklets you ought to have:

"The Story of Brick," a most artistic, illustrated book with indispensable information for anyone thinking of building. So interesting that it is used as a reader in a number of schools. Sent free. "Invaluable to home-builders. Information well worth \$5.00," says one of hundreds of enthusiastic readers.

"Face Brick Bungalow and Small House Plans" embrace 96 designs of Face Brick bungalows and small houses. They are issued in four booklets, 3 to 4-room houses, 5-room houses, 6-room houses, and 7 to 8-room houses. The entire set for one dollar; any one of the books, 25 cents. Please send stamps or money order. "I would not part with them

for a hundred times their cost. They are simply invaluable to me."

"The Home of Beauty" contains 50 designs of Face Brick houses, mostly two stories, selected from 350 designs submitted by architects in a nationwide competition. Sent for 50 cents. "The Home of Beauty" is far ahead of any book of house plans I have ever seen."

"The Home Fires" is a new book containing 20 attractive original fireplace designs, 25 pictures of fireplaces designed by well-known architects, and an article on proper fireplace construction. Sent for 25 cents. "We are truly delighted with this piece of literature."

Education—applied education—is the greatest tool anyone can have in making a success socially or in business. The coupon below brings complete information.



Your reading problem solved by Dr. Eliot of Harvard

THERE will be a dozen competitors for your big opportunity when it comes. What will influence the man who is to make the decision among them.

"In every department in practical life," said ex-President Hadley of Yale, "executives have told me that they want from our colleges men who have the power of using books efficiently."

Not book-worms; not men who have read all kinds of books. Not men who have wasted their time with the papers. But those who have mastered the few great books that make men think clearly and talk well.

What are those books? A free booklet answers those questions; it describes

Dr. Eliot's Five-Foot Shelf of Books

Every well-informed man and woman should know something about this famous library.

The free book tells about it—how Dr. Eliot has put into his Five-Foot Shelf "the essentials of a liberal education," how even "fifteen minutes a day" can be enough, how by using the reading courses you can get the knowledge of literature and life, the culture, the broad viewpoint that every university strives to give.

Every reader of this column is invited to have a copy of this handsome little book. It is free. Clip the coupon and mail it today.

Send for this FREE booklet that gives Dr. Eliot's own plan of reading



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REMARKABLY unified is the support given by the farm press to the McNary-Haugen bill.

"The best measure now before Congress," says *Washington Farmer*; "Putting over the McNary-Haugen bill is . . . worth a little time and more than a little effort," agrees *Wallace's Farmer*; "Free from any taint of subsidy or raid on the Treasury," says *Farm, Stock and Home*; while *Eastern Dealer in Implements and Vehicles* makes Peter Nelson, supposed to be a typical, thinking farmer, say, "They have made it so hog-tight against the heavy exporters and so chicken-tight against the politicians, that it is pretty hard for the farmer himself to get a good squint at its true inwardness, and to decide whether it says what he wants it to say. But it does say just that."

On the other hand, "The fundamental objection to the measure is that it disregards the function of natural prices as a regulator of production," says the *National City Bank of New York* bulletin; while *Price Current-Grain Reporter* condemns it with, "It is class legislation, and has no redeeming features."

Washington Farmer, in giving its reasons for its support of the bill, contrasts it with the Norris-Sinclair bill:

. . . the Norris-Sinclair bill would be of doubtful benefit to the wheat growers. It contains no provision for the lifting of American prices to a point above world prices on wheat or other products. The proposed government corporation would simply have to buy and market wheat on the basis of the export market. It might save the farmer a few cents per bushel in that transaction, but that is doubtful.

On the other hand . . . the McNary-Haugen bill has a definite provision for the establishment of American prices on a basis equaling the pre-war purchasing value of the commodity in question and the assessment back on the producers as a whole of any loss created in handling the exportable surplus.

Will Price Ratios Work?

FARM, Stock and Home, while favoring the bill, confesses to a feeling of disappointment on first hearing it read. This paper comments as follows:

We supposed the bill would provide for a corporation, detail a plan for segregating the exportable surplus, and methods of paying the grower for it based on price obtained less loss and expense of handling the grain, and nothing else. That, of itself, is a man-sized job.

As a matter of fact, the establishing of an export corporation is a minor part of the bill. It attempts to establish a price ratio between exportable agricultural products and manufactured goods. We admit such a ratio is desirable; we would like to see it established; but our disappointment is due to our doubts as to the workability of this section of the bill (Sec. 24), and our fears that inclusion of this idea will make the passage of the bill more difficult.

In place of Section 24, *Farm, Stock and Home* suggests the authorization of

the formation of an export corporation to purchase the determined percentage of exportable wheat, during the first sixty or ninety days of the crop movement, at the market price, this wheat to be definitely removed from the domestic market, to be sold either as wheat to the foreign markets, or to United States millers, under bond, at the world price, to be made into export flour.

Furthermore, this publication believes that monthly purchase of wheat, as provided for in the bill, would nullify the hoped-for effect on the

domestic prices, inasmuch as most of our exports come in the first four months of the crop year. Amendments to Sections 303 and 304 are also suggested.

Farm, Stock and Home concludes:

It is being urged by opponents of this bill that the only sure thing a farmer has in it is his tax. This sounds plausible, but to make it real, we must believe that the law of supply and demand won't work. If the exportable surplus is taken off the domestic market, it will be the same as though it had not been produced, so if supply and demand is good law, what can prevent the domestic price equaling the world price plus the tariff, plus transportation? The people who urge this argument are those who are most insistent that the law of supply and demand always works. Even the worst that could happen to a farmer would be a total loss on the scrip he had been given in payment for his per cent of the exportable surplus, but even so, he will be more than compensated by the better price received for the rest of the crop.

Bill Warmly Defended

QUICK to fly to the defense of the McNary-Haugen bill, when it was under attack by Professor Macklin at the recent Illinois farm advisors' conference, was *Prairie Farmer*. To Mr. Macklin's objection that the bill would not provide immediate relief, *Prairie Farmer* replies that, "The Wallace plan will certainly affect markets favorably as soon as it begins to ship increased amounts of American farm products abroad. Any increase in exports would do that."

To his objection that the consuming public would oppose it because it would cause higher prices for food, the reply is, "How can the Wallace plan raise food prices if it isn't going to bring any relief to farmers?"

Against Mr. Macklin's final objection that it would require high tariffs to keep out foreign products, *Prairie Farmer* argues:

American industry is artificially protected by high tariffs. American labor is artificially protected by the immigration law. American agriculture is languishing because it has no protection. We have an agricultural tariff, but it gives us no protection on our major crops, because we have an exportable surplus and the world market sets the basic price. The McNary bill is an attempt to make the agricultural tariff effective. It may not work perfectly. It may work well. At any rate, it can hardly make conditions worse.

Very much on the other side of the fence is *Price Current-Grain Reporter*:

The McNary bill, now up for consideration in both Houses, is probably one of the most adroitly drawn-up bills that has been seen in a long time. It is simply an effort, made under cover, to force farmers to enter a compulsory pool. The consequences of the measure will be far-reaching, but in the end it would defeat its own purposes.

A later editorial in this same publication is headed, "It Must Not Pass," and runs as follows:

Will the Government get into the grain business? If the McNary-Haugen bill should pass it would have the power not only to handle the grain crops of the country, but all other agricultural products as well, excluding vegetables and fruits. Have our law-making bodies lost all sense of reason? Sane thinking and a clear analysis of the bill will demonstrate its utter fallacy. Price-fixing is its goal—foot-

San Francisco's true relation to the markets and materials of the world is indicated by this reproduction of the famous "Butterfly Map" designed and copyrighted by Bernard J. S. Cahill, F.R.G.S.



SAN FRANCISCO MOVES *to* CLEVELAND

THE Panama Canal has moved the Pacific Coast eastward, as to freights, to a point somewhere between Toledo and Cleveland, Ohio.

Measured by freight costs on raw materials, San Francisco is closer to Europe than many eastern factories, including, perhaps, your own, and from San Francisco the markets and raw material supplies of the world are directly available by cheap water transportation to Asia, Europe, South America, Mexico and the Atlantic Seaboard.

Measured by freight costs again, San Francisco is closer to every city on the Atlantic Seaboard than many Mississippi River factories, and approximately as close as they are to Pittsburgh and other interior cities.

Get This Report

We might multiply these instances. A better procedure is to furnish you with a specific report on conditions regarding your own manufacturing opportunities in the 1000 square miles of San Francisco Bay's Industrial District. This we will gladly do at your request, both as regards the immediate and growing market of nine million people best reached from San Francisco, and eastern and foreign markets and raw material supplies.

Californians Inc., a non-profit organization of citizens and institutions interested in the sound development of the State, is now able to offer you this service. We desire to attract only such industries as may most profitably come here. Yours may be among them. Address:

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just a few cents make!"

—all the difference
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and—FATIMA, the most skillful
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Who are our 145,000 Subscribers? They are executives in 85,081 Corporations*

In these corporations the magazine is being read by the following major executives:

Presidents.....	36,415
Vice-Presidents.....	16,495
Secretaries.....	15,916
Treasurers.....	7,717
Partners and Proprietors.....	8,874
Directors, Chairmen of Boards, Comptrollers, General Counsel, Superintendents and Engineers.....	6,322
General Managers.....	11,479
Department Managers (Branch—Purchasing—Sales —Export, Etc.).....	10,852
Major Executives.....	113,970
Other Executives.....	8,633
Total Executives.....	122,603
All other Subscriptions.....	22,379

If this audience represents a market for your products, we shall be glad to give you complete advertising details.

The NATION'S BUSINESS
Washington, D. C.

*Figures based on a complete investigation of all subscribers in twelve cities.

ing of the United States Treasury the ultimate end. . . .

Finally, the bulletin of the National City Bank of New York observes that the low price of wheat is simply a signal of overproduction, and that any attempt arbitrarily to fix prices can end only in confusion:

The state of prosperity in the industrial sections which is contrasted with conditions in the agricultural sections is due to activity in construction work, artificially restricted during the war, and the high wages are supported by high rents and other factors in the cost of living arising from the war. On the other hand, agriculture, instead of being stimulated by delayed demands, finds itself under the necessity of adjusting production to lower demands than were made upon it during the war. The prices conform to the deranged conditions behind them, and not until industry itself is in equilibrium will prices be equalized.

Is Time Purchase of Motor Cars A Menace to Other Industries?

TIME-payment purchases of motor cars is not the menace to the future prosperity of the country that some of the other trades believe, says *Motor World* in a recent editorial answering the charge that the increased purchase of automobiles, especially on time, is the cause of depression in other industries.

Time purchases in the past year did aggregate tremendous figures, the *World* admits, but this was so because motor car sales reached the huge total of approximately 4,000,000, and the percentage of cars bought on time probably was not greater than in previous years.

Furthermore, the records of the companies dealing in time-payment paper show that almost 100 per cent of the payments are made when due, and hence the buyers obviously could take care of them without neglecting the purchase of other necessary commodities. Again, according to the *World*, thousands of buyers, particularly men using their wealth in their business, acquire their cars on a preferred-payment basis out of preference instead of necessity.

Finally, concludes the *World*:

There are just two main reasons for the tremendous increase in automobile purchasing. One is the general prosperity and general employment of the country. The people can afford individual transportation. The other is the high-value low-price achievement made possible by mass production and competition in the automotive industry. What better reasons could be asked?

Only Fittest Will Survive Until 1927, Says Coal Press

THAT a shrinking process is inevitable in the bituminous coal industry as a result of the three-year contract is the statement recently appearing in the editorial pages of two coal papers.

"Energy or atrophy?" asks *Coal Age*, and goes on to remark that only those companies which confront the situation boldly now and bring their mines up to the best practice will ever see 1927. The *Age* continues:

Some will hope to win by heartening their sales force, by cutting salaries and by discharging a man here and there at the office and the mine, but only by radical improvements at the mines can the true solution be found. Cheaper coal, obtained by better machinery and by a cutting down of risks, will alone work the reformation. What improvement is made must needs be fundamental. No half measures will serve. The result will be obtained not so much by removing needed officials, repair and maintenance men but by the broader policy of providing mechanical appliances that will actually make men superfluous.

It will be necessary to remember that the mine is the fighting front. The comforts of the rearguard must be renounced and the fight must be pressed where the victory alone can



From a small beginning in a village blacksmith shop

FROM a carriage works in 1869, General Motors of Canada, Ltd., has grown to be one of the Dominion's leading manufacturing industries. The products have a value exceeding \$40,000,000 annually.

When General Motors of Canada was taken over by the General Motors Corporation, the group of men responsible for its up-building became stockholders in the Corporation. Today there are upwards of 1,000 General Motors stockholders in Canada. In Canada and Great Britain together there are held 1,420,000 shares—a substantial interest.

The products of General Motors of Canada include Buick, McLaughlin-Buick, Cadillac, Chevrolet, Oakland and Oldsmobile passenger cars and GMC Trucks. In 1923, more than 50,000 cars were shipped from the Canadian plant, 55% of which were exported.

Motors, axles, and other heavy parts are made at Walkerville, Ontario; body and top building, small parts making, painting, assembling and finishing are done at Oshawa, Ontario.

So, with the exception of certain essential accessories, the products of General Motors of Canada are built in Canada.

A booklet will be mailed you, if a request is directed to the Department of Publicity, General Motors Corporation, New York.

GENERAL MOTORS

BUICK • CADILLAC • CHEVROLET • OAKLAND • OLDSMOBILE • GMC TRUCKS

Delco and Remy Electrical Equipment • Harrison Radiators • New Departure Ball Bearings
Hyatt Roller Bearings • Jaxon Rims • Fisher Bodies • AC Spark Plugs—AC Speedometers
Brown-Lipe-Chapin Differential Gears • Lancaster Steel Products
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Delco-Light Electric Plants • Frigidaire Electric Refrigerators

- United Motors Service provides authorized national service for General Motors accessories •
- General Motors Acceptance Corporation finances distribution of General Motors products •
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Said an importer:

"Your Import Letter of Credit has increased our sources of supply"

A LARGE PERCENTAGE of the merchandise imported into this country is now financed by Import Letters of Credit—a form of financing in the development of which The Equitable has played an important part.

Originated as a convenience, the Import Letter of Credit has become a necessity to many importers who must deal with foreign firms. This is particularly true when their standing is not well known, or when they must overcome a hesitancy on the part of an overseas firm to manufacture for future delivery.

The Equitable's Import Letter of Credit—

1. Eliminates the necessity of an overseas manufacturer investigating the standing of an American importer.
2. Enables the importer to purchase goods from foreign merchants unfamiliar with his financial status, and to buy from those who demand cash on shipment.
3. Secures the acceptance of advance orders by automatically assuring the foreign manufacturers of payment on shipment.

For further particulars, consult our Foreign Department.



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Bush House, Aldwych, W.C. 2
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MEXICO CITY: 48 Calle de Capuchinas

DISTRICT REPRESENTATIVES

PHILADELPHIA: Land Title Building
BALTIMORE: Calvert and Redwood Sts.
CHICAGO: 105 South La Salle St.
SAN FRANCISCO: 485 California St.

he won—at the face—not forgetting of course the necessity of providing the necessary finances for the needed mine equipment.

Similarly, *Black Diamond*, which points out that, inasmuch as the settlement means no coal shortage for three years, and the performance of the railroads for the past four months makes it reasonably certain that there will be no car shortages, there will be nothing to interrupt the unrestricted flow from mine to market. Hence, since, as at present developed, "the bituminous coal industry of this country can produce two tons of coal for every one that is needed by the industries and homes of America," some companies, in the opinion of *Black Diamond*, are bound to go under:

The process of elimination which now begins will amount to the survival of the fittest. Those producing properties which can bring coal to the surface at most reasonable cost will be able to survive, and surviving, will make a reasonable profit in the process. Those which labor under inordinately high costs, or, are at an insurmountable disadvantage in freight rates are bound to go under, and the sooner they appreciate the fact the better they are off. . . .

Those who take stock of their situation and, finding it to be untenable, voluntarily close their plants at once, thus conserving both their capital and their coal until more favorable days, will pilot themselves through the trying times to come with a maximum of credit and a minimum of loss to themselves. Those who blindly ride to destruction, disregarding costs and markets, and cutting prices far below cost in a wild scramble for orders, will dissipate both their capital and their coal in the ground. Now is the time for a serious taking of stock and the determination of a course to fit the circumstances. . . .

The coming months are going to disclose who among the bituminous coal producers of America are business men and who are opportunists.

Metric System Undesirable Is Opinion of Grain Paper

A SERIOUS inconvenience to the grain trade is seen by *Price Current-Grain Reporter* in the Britton-Ladd bill, recently introduced into Congress as a means of putting the metric system into effect in the United States. Observes this paper:

On the face of it, it seems innocent enough, but its effect will be far-reaching, for one of its provisions is that after 10 years the buying and selling of merchandise, which includes grain and grain products, will be in terms of metric units. This will mean that all the present weighing facilities will have to be junked and new scales to conform to the metric system installed. The grain trade certainly has enough burdens saddled on it continually without this added. It is to be hoped that the secretary of the Grain Dealers' National Association, as well as the secretaries of the various state associations, will get together in some concerted action for the defeat of this bill.

What Will Be the Future Of the Bureau of Mines?

HOW SOME, at least, in the mining industry feel towards the Bureau of Mines, now in such a state of uncertainty as to its future, may be gained from editorials appearing in *Coal Age* and *Engineering and Mining Journal-Press*.

"Give Them a Boost," heads the editorial in *Coal Age* which continues:

Years of experience have given the coal industry confidence in the United States Bureau of Mines. It is critical of the industry but not muckraking. It holds up a true mirror to us and to the public. . . .

Manning, Cottrell and Bain have each in their turn tried to do their work fearlessly and constructively. Mistakes of judgment may have been made but not of heart. They have deserved a more outspoken note of approval.

Their effort to keep safety before the industry should be given whole-hearted support. Their advocacy of rock dust should bear more effective fruit. Their investigations of safety appliances should meet with greater interest and what they have recommended and devised should have speedier acceptance.

They are the friends of the industry and no one can conceive any instrumentality better suited than the United States Bureau of Mines for the obtaining of that greatest of needs for the reformation of the industry—cleaner coal.

The suggestion of Dr. Willoughby, of the Institute of Government Research, that the Bureau of Mines be abolished because "there is nothing done by it which cannot be done by other services and particularly by the Bureau of Standards and the Geological Survey," is held by *Engineering and Mining Journal-Press* as a joke—but a joke to be taken seriously, inasmuch as the recommendation was made in serious vein.

The *Journal-Press* proceeds to list the various plans in order of its preference. They are as follows: (1) Senator Oddie's plan to create a separate Department of Mines; (2) the creation of a subdivision in the Interior Department, headed by an Assistant Secretary of Mines, to administer the Bureau of Mines and the Geological Survey; (3) the present situation unchanged; (4) the plan of the Cabinet to transfer the Bureau of Mines to the Department of Commerce. The plan of Dr. Willoughby this paper refuses to list at all, and it calls upon its readers to make their wishes known to their Congressman.

New Machine May Be Factor In Reducing Building Costs

POSSIBILITIES in a newly demonstrated plastering machine for reducing the high cost of building are discussed in a recent editorial in *The American Contractor*.

The machine, which is a modified gun arrangement, moves rapidly over the surface to be plastered, and will put on as much brown coat or scratch coat as eight men. A recent feat of the machine was to plaster a wall 222 feet long by 9 feet high (222 square yards) in less than three hours, applying a ½-inch veneer. In comparison, it took one man (with five laborers to supply him with materials) eight hours to do 222 square yards of plastering.

The American Contractor closes with the following comment:

The sixteen- or twenty-dollar-a-day plasterer who can do only one-eighth as much as this machine is such a common item of present high building costs, that the device will surely be thoroughly investigated.

Are Modern Feet Larger? Shoe Men Think They Are

MUCH discussion has arisen among manufacturers in Lynn, Mass., says *Hide and Leather*, as to whether feet are changing in size. Says this paper:

Sizes of feet have always varied. Old lasts, relics of early shoemaking in Lynn, show that some large-size shoes were made in olden days, so it is safe to presume that there were some big feet in grandmother's time. On the other hand, in local museums there are women's shoes that are so small the young women of today could not get them on their feet.

The production of "Jumbo," fat-ankle and other large-size shoes is greater at present than for some time. Several makers of stylish shoes have been driven to make No. 9 and No. 10 shoes, because of the demand, even in the novelty lines.

The rising generation of American girls is larger in stature, as shown by the records of the physical departments of colleges, but whether the feet are growing larger is still a matter of dispute. The records of one Lynn manufacturer show that his sizes, covering a period of years, steadily tend towards narrower shoes. He figured this was due to the fact that women were riding more and walk-



Small Industrial Buildings Adaptable for Many Purposes

WHEN you need a building 30 feet wide or less buy a Swartwout. It is stronger, lighter, better looking. It is weather-proof and fire-proof. It is easily erected and will last for years. Yet you can move it with 100 per cent salvage.

Swartwout Metal Buildings are adaptable for many purposes. Thousands are in use for small factories, stores, warehouses, garages, etc.

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Swartwout Metal Buildings are made of heavy rust-resisting metal, in standard panels which lock together by means of a patented interlocking joint. They form their own frame. The outside presents a handsome panelled appearance. The inside walls are perfectly smooth. Windows and doors can be located to meet any condition. The length can be whatever you desire.

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'WITH THE INTERLOCKING JOINTS'

No Floor Expense In Seven Years



The floor in the Illinois Central Freight House, East St. Louis, Ill. (shown above), is a representative BLOXONEND installation. Although millions of tons of freight have been trucked and dragged across its surface in the past seven years, BLOXONEND is as smooth and substantial today as when laid—not a cent for repairs.

Write for Booklet "M". It tells how you can make an asset of your rough wood or concrete floors by covering them with BLOXONEND—not loose blocks.

Detail within circle shows manner in which the Southern Pine blocks are dovetailed on to baseboards (at Mill) insuring lasting smoothness.



The detail behind circle shows how Bloxonend comes to job in built-up strips nearly 8 feet long. Sleepers unnecessary.

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Detroit: 1st Nat'l Bank Bldg.
San Francisco: Hobart Bldg.

BLOXONEND

Lays Smooth FLOORING Stays Smooth

Some Aspects of ITALIAN IMMIGRATION

By Dr. Antonio Stella

At this time when legislation concerning immigrants has become a vital question before America, Dr. Stella's book is especially valuable. It is the result of extensive study of the question in all its interesting phases. Introduction by Dr. Nicholas Murray Butler.

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ing less, with the consequence that their feet were getting slimmer.

Shoes for the big city trade always run smaller and narrower than shoes for the small town and country trade. This is easily explained. City women ride in street cars or automobiles, while most women in the small towns and farm regions walk much.

Most shoe men are convinced that ankles are getting thicker from the long wearing of low shoes. Some also think that feet are getting flatter and broader from the continued wearing of thin soles. The increase in ankle measurements is shown by a recent order for boots, which specifies that tops shall be a quarter of an inch above standard measurements.

Wireless at Sea Abused

Says Marine Underwriter

WIRELESS at sea has proved not an unmixed blessing to underwriters, according to Mr. William H. McGee, a well-known underwriter, who is quoted in a recent issue of *The Shipping World*, an English periodical devoted to the shipping trade.

According to *Shipping World*, Mr. McGee, in a lecture delivered lately to the Insurance Institute of America, stated that while he appreciated the wonderful use of wireless in keeping vessels at sea in constant touch with the land,

on the other hand, wireless has led to certain costly abuses, one of which is the readiness with which crews of disabled vessels abandon them if they can bring a rescuing vessel alongside by use of wireless signals.

The *World* continues:

In former days many a ship now abandoned to her fate at sea and paid for by the marine underwriters was saved because the crew stuck to their posts and by valiant efforts brought the disabled hull to port. We do not suggest, nor do we suppose Mr. McGee suggests, that such a practice is general. The prospect of a good salvage would in any case be sufficient inducement for the rescuing vessel to take the abandoned ship in tow. But it is for underwriters to examine cases where any allegation can be substantiated that the ship was abandoned unnecessarily.

Is "Glos" a Better Term

Than "Artificial Silk"?

JUST what is to be gained by the campaign to make universal the application of the term "Glos" to artificial silk received some consideration in the editorial pages of *Silk*.

Silk feels that it is going to be a pretty fair-sized job to put over the name. Will not the consumer ask, "What is 'Glos'?" and be told, "Artificial silk?" This of course simply brings one back to the beginning of the circle.

Again, says *Silk*, it is more than likely that the ordinary customer will take the name, "Glos" as designating a new kind of silk, in the same way that "tussah" or "pongee" or half a dozen other names are applied to different classes of silk.

Furthermore, artificial silk is sold in foreign markets under just exactly that name: "soie artificielle" in French and "Kunstseide" in German. The new term may quite conceivably cause confusion among importers and domestic dealers, *Silk* believes.

This magazine concludes:

If the new name is to be accepted, a systematic educational campaign will be necessary which will not only explain what artificial silk really is, but why those two words have been decided to be misleading, and a new term therefore chosen. This is not going to be done in a week, nor a month. And until it is done, the final judgment on the new name cannot be rendered. It looks as if the work on "Glos" had only just begun. When it has progressed further, it will be easier to give an authoritative opinion as to whether or not it has been worth while.



The New Quiet 12 Wins

Six continents hail the extraordinary success of this latest Remington model. In thousands of offices the first trial machine has been followed by installation after installation of New Quiet 12's. Every day it is making new Remington users—so decisive are its many superiorities.

Its natural touch and its exceptional responsiveness are a revelation in swift and easy operation. And the beauty of its writing is an advantage to every owner, and a source of pride to every typist.

Every operator should try this new machine—in the interest of her employer, and in justice to herself.

The New Quiet 12 costs no more than the ordinary typewriter. Easy payment terms, if desired.

There is a Remington man at your call who will gladly demonstrate the New Quiet 12 *in your office*, without obligation on your part.

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The Ivanhoe Trojan

IVANHOE Trojans (glass) and IVANHOE Glasteel Diffusers (metal and glass) are used by leading manufacturers in many lines for office and factory lighting.



The new Glasteel Diffuser used in the Timken Roller Bearing plant.

Ask Timken If Better Lighting Pays!

MERELY average lighting wasn't good enough for the Timken Roller Bearing Co. Timken engineers knew good lighting held an unmatched opportunity—and were keen to seize it! They increased the lighting of the Timken inspection department to four times its former value—fitting the units with IVANHOE Glasteel Diffusers. Results were immediate. Their faith in better lighting was justified by an increase of 12½% in production—more than 5 times the cost of the improvement!

SUCH a saving as Timken's is not unusual. Manufacturers in all lines find that improved lighting is the open door to decreased spoilage, increased efficiency and lower unit costs. There is a message for you in the booklet: "How Good Lighting Cuts Factory Costs," telling what savings you may expect, and describing the IVANHOE line of industrial lighting equipment. May we send you a copy?

IVANHOE DIVISION
of The Miller Company
Cleveland, Ohio

IVANHOE

GLASS SHADES - STEEL REFLECTORS

IVANHOE metal reflectors or Ivanhoe Trojan units of glass are used by these—and hundreds of other—prominent manufacturers in their factories and their offices.

Pittsburgh Plate Glass Co.
Aluminum Company of America
Jones & Laughlin Steel Corp.
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Hart Schaffner & Marx
Paul C. Wolfner Shoe Co.
Cheney Bros.
Standard Oil Co.
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White Sewing Machine Co.
Firestone Tire & Rubber Co.
McKinney Steel Co.
White Motor Co.
Penton Publishing Co.
Cluett Peabody & Co.
Champlain Silk Mills
Real Silk Hosiery Mills
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Pennsylvania Railroad
Berkey & Gay Furniture Co.
General Motors
Emerson-Bearthingham Co.
Oregon-American Lumber Co.
Midwest Refining Co.
Libby, McNeill & Libby
California Packers Association
Shell Oil Co.

Government Aids to Business

Nearly a hundred educational films have been prepared in the last few years by the Bureau of Mines in cooperation with industrial concerns. The demand for the films is now so great that the original plan of centralized distribution from the

Pittsburgh experiment station of the bureau has become inadequate. A selected list of the best of the films is now obtainable from twenty-seven cooperating agencies.

The films include portrayals of the production of coal, petroleum, sulphur, iron, asbestos, zinc, marble, copper, natural gas, and other minerals. One series of films depicts the manufacture of automobiles, the methods of compressing air, the quarrying of limestone, and other industrial operations. Other films present dangers and safe practices in mining, efficiency in the combustion of coal, the utilization of water power, and the operation of gasoline motors.

Information regarding the availability and use of the films is obtainable from the state distribution centers at:

The University of Arkansas, Fayetteville, Ark.; University of California, Berkeley, Calif.; Department of Visual Education, Los Angeles County Public Schools, Los Angeles, Calif.; University of Colorado, Boulder, Colo.; University of Florida, Gainesville, Fla.; Bureau of Visual Instruction, Chicago Board of Education, Chicago, Ill.; State University of Iowa, Iowa City, Ia.; Iowa State College, Ames, Ia.; Indiana University, Bloomington, Ind.; University of Kansas, Lawrence, Kans.; State Normal College, Natchitoches, La.; University of Michigan, Ann Arbor, Michigan; State Department of Public Instruction, Lansing, Mich.; University of Minnesota, Minneapolis, Minn.; University of Missouri, Columbia, Mo.; Agricultural and Mechanical College of Mississippi, A. and M. College, Miss.; University of Nebraska, Lincoln, Nebr.; New Jersey State Museum, Trenton, N. J.; State Department of Education, Raleigh, N. C.; Educational Museum, Cleveland School of Education, Cleveland, O.; University of Oklahoma, Norman, Okla.; University of Oregon, Eugene, Oreg.; Cooperative Extension Work in Agriculture and Home Economics, Brookings, S. Dak.; University of Texas, Austin, Tex.; University of Utah, Salt Lake City, Utah; State College of Washington, Pullman, Wash.; University of Wisconsin, Madison, Wis.

To determine the effect of variations of vulcanization on the electrical properties of rubber insulating materials for cables, the rubber section of the Bureau of Standards has subjected several specimens of compounds to different temperatures for different lengths of time. The results of the experiments, the bureau says, indicate that for a given state of cure, the electrical properties are virtually independent of the means by which that cure was effected, whether by vulcanizing for a long time at a low temperature or a shorter time at a high temperature.

An improved type of radio beacon for use in navigation of the sea and of the air is in process of development at the Bureau of Standards. Engineers of the Signal Corps and the Army Air Service are working with the bureau's engineers.

The device will enable a ship or airplane equipped with an ordinary receiving set to steer a true course regardless of visibility conditions and without dependence on landmarks or the magnetic compass.

The principal elements of the beacon are an

ordinary radio transmitting set connected to a pair of coil antennas, each consisting of a single turn of wire in the form of a vertical rectangle about 100 feet long by 50 feet wide. These two rectangular antennas cross each other at an angle of 135 degrees. Signals are transmitted alternately from each of the coil antennas. The type of the antenna used by the bureau transmits a maximum signal in one direction and virtually no signal at right angles. By reason of those properties, a receiving set located along the line bisecting the angles formed by the two crossed coil antennas will receive signals of equal intensity from each of the coils.

A ship or airplane equipped for radio receiving may be guided along the line bisecting the angles formed by the crossed antennas toward or away from the radio beacon. Should the ship or plane deviate from the course indicated by the bisecting line, the two alternate signals will become noticeably unequal in intensity.

The results of three years of experimentation to determine the relative effectiveness and durability of several colorless waterproofing materials for building stone are presented in Technologic Paper 248, prepared by the Bureau of Standards.

Waterproofing Treatments for Building Stone

Sandstone and limestone were used for the tests. After treatment they were exposed to the weather. The treatments giving the highest waterproofing values and showing very little deterioration during the two years of exposure were those which employed paraffining alone or in conjunction with China wood oil as the waterproofing medium. A treatment of molten paraffin gave the highest waterproofing value on all textures of stone. The paper is obtainable from the Superintendent of Documents, Government Printing Office, Washington, at 5 cents a copy.

A motion-picture film to portray mine-rescue and first-aid methods advocated by the Bureau of Mines will be prepared at the expense of Capt. Stuyvesant Peabody to serve as a memorial to his father, Francis S. Peabody, of Chicago, coal operator and assistant director of the Bureau of Mines during the war.

Memorial Film to Show Mine Rescue Methods

A motion-picture film is needed, the Bureau of Mines believes, to depict accurately and vividly approved methods applicable to rescue operations at mine fires and disasters, and the methods of demonstrating first-aid treatment. Most of the scenes for the proposed film probably will be staged in the vicinity of Pittsburgh, where the bureau maintains an experimental coal mine and an experimental station for the study of the causes and prevention of mine accidents. The methods of first-aid treatment will be shown by means of slow-motion pictures in order to give a clear understanding of approved practices.

Tentative specifications for waterproof case linings used in export packing have been prepared by the Bureau of Standards, through the co-operation of the paper division of the Bureau of Foreign and Domestic Commerce. Paper used for case linings should protect the merchandise from moisture, mold, odors, salt water, and other hazards imposed by stowage in the holds of ships or by climatic changes in foreign countries. There are few commodities that water does not injure, the bureau explains—textiles are discolored and decayed, metals and machinery are rusted, foodstuffs are made unpalatable and chemicals are dissolved or changed in their composition, and even canned goods may be made unsalable by the discoloration or the loosening of labels.

Specifications for Waterproof Case Linings

The specifications tentatively submitted are:

Composition: The paper shall be made of two layers or sheets of 100 per cent sulfate

RADIOGRAMS



The power that speeds messages to Europe

Tremendous electrical energy is needed to send the radio message that flashes to Europe in a fraction of a second. Day and night the huge alternators work in the power plant at Rocky Point. Sent out with automatic accuracy, by machinery, the messages travel direct from New York not only to the nearer nations, France and England—but to those further off—to Germany, to Italy and Norway, and inland to Poland—each reached directly by its own powerful circuit. This directness of transmission means accuracy and speed.

How to send a Radiogram: In New York, San Francisco or Washington, phone for an RCA messenger. In other cities, use the nearest Postal Telegraph office to send a Radiogram to Europe. Use the nearest Western Union office for Radiograms to Japan and Hawaii. To any country—and to passengers on ships at sea—be sure to mark every message



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Rate Sheet

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126 Franklin Street	Franklin 2675	51 East 42nd Street	Murray Hill 4996
SAN FRANCISCO, 300 California Street, Garfield 4800			
WASHINGTON, D. C., 1110 Connecticut Avenue, Main 7400			
CHICAGO	10 So. La Salle Street	PHILADELPHIA	The Bourse
BOSTON	60 Congress Street	CLEVELAND	1909 St. Clair Ave.
NEW ORLEANS	Carondelet Building	SEATTLE	Maritime Building
BALTIMORE	Gay & Pratt Streets	PORT ARTHUR, Texas	Realty Building
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There are thousands of such letters in our files

35,000 Miles
10 Times-
from coast
to coast

"I HAVE driven my touring car over 35,000 miles on one set of Hoo-Dyes and have had them serviced only once in that time.

"I would certainly not ask for any piece of machinery to give me less trouble than these shocks have. I have used cars equipped with Air Shock Absorbers and other kinds, but from now on I intend to use nothing but "Hoo-Dyes" as I firmly believe that they are the *only* practical, comfort-bringing shock absorbers made."

From a well-known California business man.
Name and address on request.

SAFETY

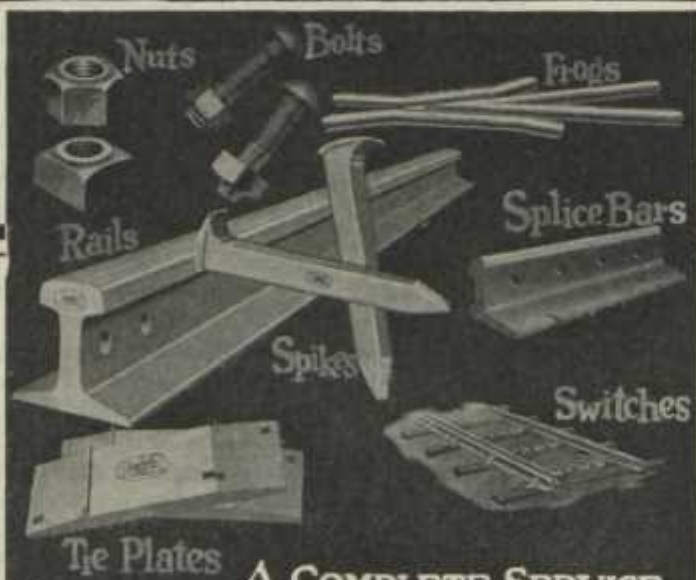
The Hoo-Dye means safety as well as comfort. By transmitting every axle movement directly to the hydraulic cushions through a double-acting connecting-rod, by absorbing both *recoil* and *compression*, these shock absorbers eliminate side-sway and keep the wheels on the road no matter how quickly the brakes are applied. There is no car so finely made or beautifully balanced that it does not need the gentle, restraining hand that Hoo-Dye alone can lend.

THE HOUDAILLE COMPANY, 1470 West Ave., Buffalo, N. Y.

Manufactured by Houde Eng. Corp.

HOO-DYE

Double-Acting Hydraulic Shock Absorber



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1 Ton or 1000

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kraft paper, cemented together with a layer of asphalt.

Weight: 25 by 40, 500, 120.5 pounds basis (24 by 36, 480, 100 pounds). A tolerance of 10 per cent will be allowed on weight.

Bursting strength: Average of 10 tests shall be not less than 60 points.

Tensile strength: Average of 10 tests in both directions of the sheet shall be not less than 9 kilograms.

Water resistance: Time of penetration of water shall be not less than one hour.

The specifications given are based largely on results of investigative work on various water-proof packing papers conducted by the Bureau of Standards. The investigation has not been completed, and the bureau recommends that the specifications be adopted tentatively, as possible modifications may be necessary when more complete information is available.

Tests made by the Bureau of Standards disclose, it reports, that the compressive strength of walls built of "Nel-Stone" units and their suitability for wall construction compare favorably with common brick walls.

Nel-Stone Units Tested for Wall Building

The "Nel-Stone" system makes use of specially constructed pre-cast mortar blocks 12 inches square which are laid up without mortar joints or beds. The units are so shaped that when set in place in a wall there are interconnecting, horizontal and vertical passages of circular cross-section throughout the wall. In the passages the reinforcement is placed and they are then filled with cement mortar of one to three proportion.

Tests were made on 9 walls, 6 feet long by 9 feet high with thicknesses of 4, 6 and 8 inches. Three experiments were made for each thickness. The average strength of the walls at failure was 700 pounds per square inch. The bureau asserts that where the load carried by the wall is axial and no bending is introduced, any of the walls tested would be safe for a unit working load of 250 pounds per square inch.

An investigation of wet-process enamels for cast iron used in stove parts, sanitary fittings and hardware has been made by the Bureau of Standards. The results are reported in Technologic Paper 246. The paper describes the ground

Wet Process Enamels for Cast Iron

coats, cover enamels, single coat, and colored white enamels which were tried out during the experiments and the compositions which gave the most satisfactory results are indicated.

Compositions used in dry-process enameling served as a basis for the investigation. The relations of the composition of the enamel to the properties of adherence, texture and opacity have been carefully studied by the bureau.

Technologic Paper 246 is sold by the Superintendent of Documents, Government Printing Office, Washington, at 10 cents a copy.

Production of nitrogen compounds from the air is believed to have been made far more economical and efficient by an

A New Catalyst for Production of Nitrogen

important chemical discovery, according to a statement made by Prof. Arthur B. Lamb, of the department of chemistry of Harvard University. The new process has been perfected at the Fixed Nitrogen Laboratory at Washington. It affects agriculture through the production of nitrates for fertilizers, and the manufacture of explosives and many other commercial products.

The problem now solved, Prof. Lamb explains, is that of forcing the nitrogen in the air to combine with other substances and thus form the compounds of nitrogen indispensable in fertilizers and in explosives. The mysterious contact material, or "catalyst" as it is called, which brings about the permanent union of hydrogen and



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Part of a 250' x 400' building erected in record time by the Ferguson Company for the Kennedy Carliner & Bag Co. of Shelbyville, Ind. Speed was essential, since the original building had been destroyed by fire.

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nitrogen atoms is the crux of the whole process. It was one of the chief purposes of the Fixed Nitrogen Research Laboratory to prepare a "catalyst" as good, or if possible superior to that used by the Germans.

The new catalyst developed by the laboratory has more than met its purpose. In processes in which the German catalyst would yield 7 or 8 per cent of ammonia, the new catalyst will yield 14 per cent, and has been run continuously for six months without deterioration. Its use means cheaper ammonia, cheaper nitrogenous fertilizers with its effect toward cheaper food.

The Fixed Nitrogen Laboratory was established just after the war, when the essential nature of nitrogen compounds had become widely recognized in its relation to agriculture and to the national defense, to investigate means of producing compounds of nitrogen from the store of nitrogen present in the air.

Methods for applying spectral analysis to the detection of impurities in metals have been devised at the Bureau of Standards. An increasing number of American industries engaged in the manufacture of metal products have come to

rely on the spectrograph to reveal chemical elements in the materials they use rather than chemical analysis. Among the industrial users of the spectrograph are manufacturers of brass and bronze, and of silverware.

The bureau reports that in preparing purity standards of platinum rhodium, iridium, and palladium, the spectrograph has been used successfully, and the bureau asserts that the chemical knowledge of these unusual metals is so unsatisfactory at the present time that the spectrograph is the only safeguard.

The results of an attempt to determine the underlying causes of the discontent of workers in the west coast lumber industry, and of the conflicts between employers and employees are presented in "Industrial Relations in the West Coast Lumber Industry," a bulletin published by the Bureau of Labor Statistics, Department of Labor.

Included in the bulletin is a history of the lumber industry in the United States and its development on the west coast, and an analysis of the internal financial organization of the industry. The hours of labor, rates of wages, and working and living conditions, and the actual demands of the industry upon the workers, as shown by an examination of the technology of the industry are discussed. The nativity and degree of skill of the workers are shown, and the social viewpoints of the workers are given special attention.

The bulletin traces the history and the influence of several agencies to reach a solution of the problems of labor relations in the industry, among those agencies being trade unions affiliated with the American Federation of Labor, the I. W. W., the shop committee plan, cooperation, and the Loyal Legion of Loggers and Lumbermen.

Fourteen samples of folded paper towels, products of nine different makers, were tested at the Bureau of Standards to determine their

Tensile Strength and Absorbency of Paper Towels

tensile strength. Attempts were first made to test the towels when wet, in the belief that service conditions would then be approximated. Because of the weakness and poor formation of most of the samples when wet, satisfactory results were not obtained from the tests.

The bureau believes that the bursting strength of the dry paper is the best indicator of its strength, and that its absorbency is satisfactorily determined by applying one drop—.2 of a cubic centimeter of water—to the surface and observing the time for complete absorption. The samples of paper tested differed considerably in strength and absorbency, the bureau reports.



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The P-A-X handles all inter-communicating calls instantly, accurately and automatically twenty-four hours a day. It releases the operator and outside wires for city use.

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Formerly known as No. 570-A. A favorite with industrial concerns everywhere. Has the original Halsey Taylor two-strain projector and automatic stream control. Self-cleaning valve preventing waste. Cooling coils submerged in melted ice water, insuring instantaneous cooling and insulated cork walls to give utmost cooling capacity. Rugged, cast-iron cover, rim, bottom and base. The standard cooler fountain of America.

Chips from the Editor's Work Bench

PUBLIC utility corporations must have long-headed men at their helms. Corporations that serve the public not only keep up to present needs, but they must also look to future requirements. To know how much to expand plants and equipments, future population must be anticipated—heads that do not exist must be counted.

To get at a sound estimate, engineers must appraise the factors that affect the magnitude of population. They find out when, how, and why a community began. They become informed of its resources. It is their business to know the community's markets—to know whether two factories are likely to stand where one stood before. The trend of business is closely watched. If the community has competitors the engineers know of them, and the degree of their competition. Immigration and emigration are evaluated in the appraisal.

A telephone company, for example, would be interested in knowing how many people will be living in the community in five, ten or twenty years, say, and it would also be interested in the business of those people. A telephone engineer knows why he gets a busy signal from a live town—and he will know how many telephones the town will need twenty years from now.

But the whole business savors strongly of speculation—the telephone engineers make open boast of dealing in futures—it's a dark new year's that doesn't bring them a bumper crop of new ears.

GIRLS will be girls no matter whether they are in trade unions or out of them. Attempts to organize girl workers in Chicago's garment trades have yielded indifferent success. The work was at times checked by federal injunctions prohibiting union activities—some of the writs forbade even communication with workers in non-union shops. Despite those checks the organizers managed to sign about 40 per cent of the girls in non-union dress-making shops.

But almost overnight the membership dwindled to less than 1 per cent. Union scouts reported that the maidens had been won by the faces and graces of "slick looking fellows" hired by dress manufacturers. The union-breakers were to mingle with the girl workers, it seems, and, in a friendly way, were to



discourage trade unionism. They took the organized girls to parties and to dances on the nights when the union was holding meetings. The girls soon lost interest in affairs of the union.

Meyer Perlstein, vice-president of the union, characterizes the shock troops of the opposition as "sheiks." He sees patent leather shoes protruding from the bell-bottoms of their trousers—non-union clappers, perhaps, to toll the knell of parting unionism. But even so, have they not carried romance to prosaic workrooms? What if a stitch is dropped here and there with thoughts of resplendent Ro-

meos—isn't it worth knowing that though a lily does not toil, it can at least spin a good line?

CHANGES of fashions are serious business for clothing makers and those who supply them with materials. Whims in women's wear may even flout a government. Uncle Sam's wallet is a little flatter because American women have changed their fashions in furs. The old gentleman owns the seal rookeries on the Alaskan Islands, and occasionally peddles sealskins. Selling was slow last year. Only about half the number of seals usually



killed were killed during the year 1923. The skins were put on the market at \$30 each, with few takers.

But though change rules order books and foreign designers continue to hurl the best bolts from their looms, American garment makers can still rally 'round the native blouse and skirt. The vogue of that two-piece costume has never waned. So says the United Women's Wear League. On top of that league's assurance comes word from the United Petticoat League of America that the accordion plaited ruffle must yield to hemstitching and embroidery. Even that possibility is not so depressing as the crisis of 1920, when news came that no petticoats were to be worn at all.

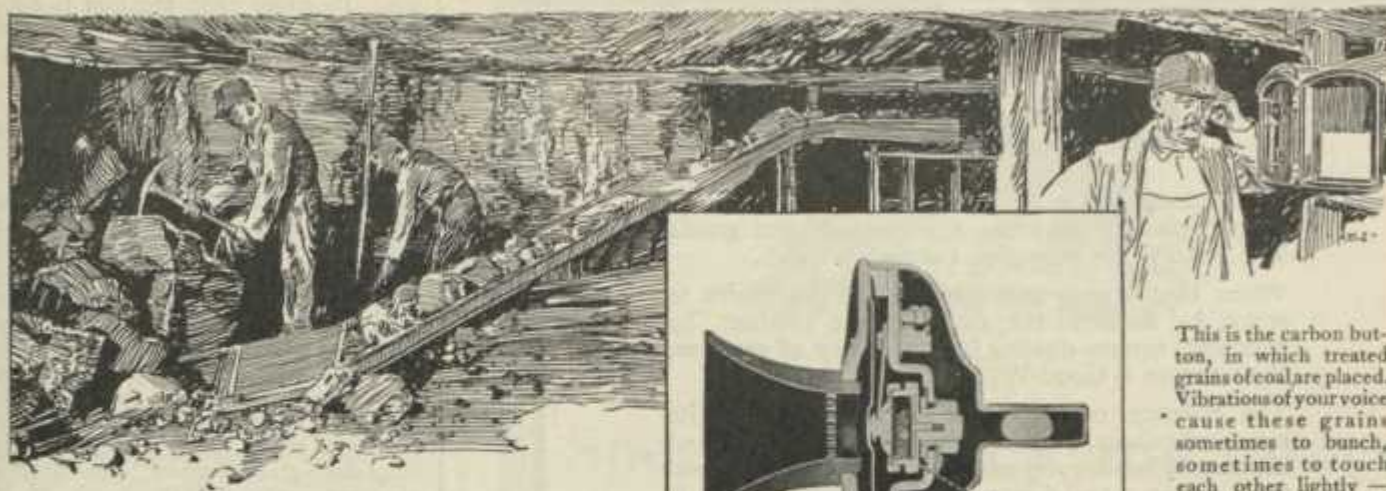
The Merchant Tailors Designers' Association speaks for the men. Coats will be loose fitting. Trousers will have greater fullness, but will be conservative. Fancy waistcoats will be fashionable again—a sort of heresy in the vestry to challenge the orthodoxy of the pantry, so to say.

TWELVE billions for strikes in the last eight years! That's the tremendous total cast up by the industrial relations committee of the National Association of Manufacturers. Along with the money went a loss of 424,320,008 full working days. The cost bore most heavily on the American public—its bill for strikes and lockouts in the eight-year period from 1916 to 1923, inclusive, was \$10,303,188,865. The employers paid \$478,610,069, and the employees' share amounted to \$1,740,433,522.

During the year 1923, 120,551,140 days were taken from industrial production by strikes and lockouts, which cost the nation \$703,839,575. The amounts assigned to the three groups that bore the total cost were: public, \$579,114,735; employers, \$26,901,443; employees, \$97,823,427.

The figures need no embellishment to plead for better understanding between employers and employees. There is much activity for conservation of the natural resources with warning that once used or squandered they are gone forever. And is it not so with the nation's time? The knowledge must come that time is money. To be profligate of time in strikes and lockouts is to invite the penalties that are inescapably visited upon the spendthrift.

To strike while the iron is hot is good busi-



This is the carbon button, in which treated grains of coal are placed. Vibrations of your voice cause these grains sometimes to bunch, sometimes to touch each other lightly — offering a constantly changing path for the voice currents.

The telephone transmitter in cross-section. Your voice sets up vibrations which are carried through the treated coal particles; thence as electric currents over the wires.

Coal

— in your telephone *

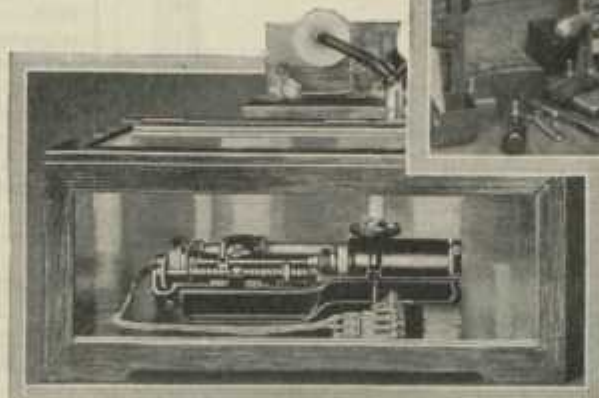
Coal, selected with painstaking care and subjected to a series of special treatments, becomes in the transmitter the very vocal chords of the telephone.

This treated coal offers a means of translating into electrical impulses the vibrations of the voice and even the inflections and mannerisms peculiar to any one voice.

Skill of a high order is essential in making the carbon button and indeed all of the 201 individual desk telephone parts. This craftsmanship has been a Western Electric standard ever since 1877.

**No. 7 of a series
on raw materials.*

To make sure that the carbon button is filled right and that the whole transmitter has been properly assembled, phonographs like this repeat the phrase, "1, 2, 3, 4, 5," many thousand times into the mouthpiece.



Weighing the grains of coal that go into the carbon button. A skilled operative, using a chemist's delicate balance, checks the amount which this button contains.

Western Electric

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Good-Will

All business has a *Soul* as well as a *body*. The *body* is factory or store, organization and goods. The *Soul* is the stamp on the public mind.

When that stamp is impressed by the desire to serve, by faith in the merit of the product, by courtesy, square dealing and sincerity of purpose, the reaction is Good-Will.

The potency of Good-Will is measured by its *earning power*. Earning power is the reflection of Service. When Service merits compensation *beyond* the current rate of interest on tangible assets it becomes Good-Will.

Good-Will is the personality of business. So long as Faith and Service are maintained Good-Will *must* grow; it cannot die.

The mark of personality is a great asset. Represented on the Balance Sheet or not, it can and should be periodically appraised on a scientific basis, its contributing factors determined and its value definitely known.

There is a well defined method of establishing the material value of Good-Will. It is based on *certain* facts and figures—carefully defined—accurately estimated.

In the reorganization or sale of a business, or in computing Inheritance Tax, the necessity of determining, accurately, the material value of Good-Will is especially apparent.

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BOSTON	COLUMBUS	PITTSBURGH	INDIANAPOLIS	DALLAS
PROVIDENCE	YOUNGSTOWN	WHEELING	ST. LOUIS	HOUSTON
PHILADELPHIA	AKRON	ERIE	KANSAS CITY	PORT WORTH
BALTIMORE	CANTON	CHICAGO	OMAHA	SAN ANTONIO
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FEDERAL TAX OFFICE, 810 TO 818 MURPHY BLDG., WASHINGTON, D. C.

ness when the striking forms the iron to new use. To strike while the iron is hot is bad business when the striking lets the iron grow cold—every one must pay for getting it hot again.

A NEW kind of bank statement has come out of the West.

The statement carries the slogan: "We bank on the cow, the sow, the ewe, and the hen," and it is embellished with pictures of cows, sheep and swine. Included with the bank's statement of its financial condition is information on the community's agricultural and livestock resources. The diversified nature of the farming is emphasized. The reader is told of the 6,000 breeding ewes with purebred rams at the head of every flock, the sixty purebred bulls, the hundred registered cows, "besides a great number of other high-grade females," the large acreage of alfalfa, the \$51,000 worth of produce shipped during the last year, and the activities of the livestock association.

An informative recital the bank gives, but it has no credit for Skipper Noah. Certainly he was a pioneer exemplar of faith in livestock. He had all the makings of an unruly financial zoo, but the goings on are not chronicled in detail. Perhaps he was sensitive about his trusteeship and gave out little for publication.

With so much watered stock on his hands during the general liquidation, the wonder is that Noah could maintain any sort of respectable balance aboard the Ark. What if he did start a run on the Ararat land bank? Confidence in him was unshaken. Did not the dove bring the green back?

NEW YORK'S associated undertakers have voted to disguise their hearses as ordinary limousines. They believe that there is no need of sombre hearses passing through the streets to remind people of death—there is enough of gloom in the world. First expression of that feeling came last year with a vote to eliminate black gloves at funerals and to make mortuaries bright and attractive.

Well, why not? Surely no one will accuse those thoughtful morticians of pressing unduly for patronage. It is not likely that the brightness and attractiveness of mortuary establishments will prevail over present interests of this world.

But there is prospect of other consequences. With every limousine a potential hearse, pedestrians run down could be transported direct to cemeteries—a sort of through service. Although the ultimate consumer in the case might not care greatly about problems of distribution, his relatives might be concerned with possible elimination of the middleman. And without change of uniform our roving Jehus could assume either the character of commerce or of the cortege—"Taxi here! Taxi!" might easily give way to "Habeas corpus! Habeas corpus!"

SALES of ordinary life insurance during the year 1923 broke all records, says the Life Insurance Sales Bureau of New York. Companies doing about 80 per cent of the legal reserve ordinary business in the United States sold insurance amounting to more than \$5,833,000,000—about \$16,000,000 of insurance sold every day, or an average amount of new insurance bought from the forty-eight reporting companies of nearly \$50 for each person in the United States. Sales in 1923 were 19 per cent greater than in 1920, previously the record year for sales of life insurance.

Considering the country as a whole the

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bureau finds that in every month of 1923 sales were higher than in the corresponding month in 1921 or 1922, the only other years for which monthly figures are available. In the eight divisions into which the bureau has divided the country, sales in 1923 increased from 14 to 21 per cent above the 1922 figure. The divisional increases show how thoroughly the total increase was distributed over the entire country. Only three states did not exceed their 1922 records—Arizona and Montana, in which 98 per cent of the 1922 volume of sales was attained, and South Dakota, in which the volume of business was exactly the same in the two years. Florida, with sales of 38 per cent above those of last year, ranked first with the maximum of increase.

The increased sales of life insurance during the year 1923 reflect the prosperity of general business throughout the country; they reflect the public's growing appreciation of the uses and value of life insurance; they reflect the development of new uses of life insurance—for examples, insurance to protect a business in the event of the death of an officer or partner, or to pay off inheritance taxes.

So it is that insurance has come to anticipate the toll of two of the great certainties. Death and taxes are of stern mien, and are not to be denied. But when a man has his house in order he does not fear to answer a knock at his door.

THE AMERICAN saxophone industry leans on a slender reed grown chiefly in southern France. A demand for saxophones carries a demand for reeds. After a storage period for seasoning, the reeds are made up for different types of saxophones.

Legend assigns the first use of the reeds to heralds with the armies of Crusaders. To believe that the sighing of reeds could move those early Christian soldiers onward to war imposes a severe strain. A man wearing an iron pot on his head could have no ear for music . . . come to think of it, the saxophone works on the feet!

TWO OF the night trains operating between Baltimore and Pittsburgh are to include "stag" sleeping cars, so the Pennsylvania Railroad announces. In explaining its innovation the company says that the new form of service is "to afford greater comfort and convenience in the use of sleeping car facilities to business men, commercial travelers and other male passengers who make up the greater part of patronage on these trains."

It seems that some men have been ruffled at the necessity of sharing with women realms that they believed theirs by right of eminent domain. But the company may be serving the best interest of the women passengers at the same time it makes gracious acknowledgment to the conceit of the men. The stories that usually filter through the smoke screen of the men's room would seem of sufficient voltage to maintain the men in splendid isolation. Not so, we conclude, for the men are to be segregated and insulated, so to say.

But how will the "stag" cars be named? And where do those sleeping-car names originate? In our youth we marveled much at the genius in the variety and romance of names gilded on the sides of sleeping cars. There, we thought, was the broadening effect of travel—until we chanced to turn around one day and saw the name "Klimwoc" reflected in a mirror-like station window. But surely, the company will find some names worthy to adorn its new movement for berth control.

R. C. W.



Speed, accuracy and safety in dealing with distant markets

A NEW YORK manufacturer selling in the small towns of New Mexico; a Florida fruit-grower shipping direct to New York; an Oregon dealer selling a cargo of grain in Bohemia—

This nation-wide, world-wide trading—this broadening of markets to include every town and hamlet—has brought new problems of buying and selling to every industry.

Profits may be determined largely by the methods employed in business transactions.

Seventy years' experience in commercial banking has enabled the Irving Bank-Columbia Trust Company to build up highly specialized departments capable of handling all customer transactions with safety and dispatch.

By determining credit standings that must be known promptly and accurately; by locating stranded shipments which may seriously handicap business; by securing prompt payments the delay of which might destroy profits—Irving-Columbia service greatly helps to eliminate uncertainty and loss of time, and to make capital more continuously productive.

In recognition of the vital importance of adequate facilities in handling your New York business, we have created the Out-of-Town Office—a separate unit of service—devoted solely to serving customers in the United States outside Greater New York.

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One of our adjusters knows your debtor personally

If you should step into our home office at Louisville today, with a list of your delinquents, you would find in our active files current claims against each of them from other manufacturers, or records of collections made for them.

In our record files you would find an informative history of each, extending years back

This is made possible thru the far reach of our organization and the modernized efficiency of our methods. Our adjusters know the condition of your debtor's business today, his prospects and general business conditions in his trading zone.

There are no "hit or miss" methods in our procedure. Our field men are specialists and your debtor knows it, trained business men whose council is welcomed. Your debtor knows that our methods are clean, constructive and helpful—that's our advantage and it becomes the advantage of your clients.

That is why more than four thousand manufacturers and national distributors turn their debtor-dealers over to us regularly. You, too, can operate thru us to your advantage. Let us show you.

UNITED MERCANTILE AGENCIES

Louisville, Kentucky

United Building

Collectors for Manufacturers
and National Distributors



Recent Federal Trade Cases

FINDINGS of price fixing that restrains, limits and lessens competition in interstate commerce have been made and a prohibitory order has been issued by the Federal Trade Commission against a paper trade association and several local associations of wholesale dealers of paper and paper products located in the Pacific Coast region. The case was submitted to the commission on an agreed stipulation of facts. Eight conclusions of unfair practices on the part of the associations were made by the commission, and the prohibitory order is confined to those conclusions. The members of the association are found to sell approximately 75 per cent of the paper and paper products in the Pacific Coast region, exclusive of roll newspaper.

Provisions of the order require discontinuance of fixing prices for paper, using association price lists or other uniform price devices for soliciting or making sales; compiling, printing and distributing price lists which fix prices for shipments of paper in car-load lots; discussing uniform terms, discounts and prices; agreeing upon prices by resolution or in other manner, or employing any similar device which fixes or tends to fix the prices at which paper or paper products shall be sold, or which is designed to equalize or make uniform the selling prices, terms, discounts or policies; combining to hinder or prevent by intimidation, coercion or any similar means any manufacturer from making sales of paper or paper products at any price, or upon any terms the manufacturer may decide; combining or conspiring to hinder or prevent any wholesaler or dealer from buying paper directly from the manufacturer or from any one else desiring to sell paper, or from seeking to hinder or prevent by intimidation or coercion, withdrawal or threatened withdrawal of patronage, any concern from buying or selling paper. All the provisions of the order apply to interstate practices.

THE TEST investigation made by the commission to determine whether the passing of anthracite through numerous hands before it reaches the consumer is a device by which the price is unduly raised has resulted in a dismissal of the complaint and a finding by the commission that with one exception there was no evidence which even tended to prove the charge of conspiracy or agreement.

The case related to conclusions of the United States Coal Commission and was considered by reason of a request of the President, received on September 15, 1923. The commission began an inquiry into what it regarded as the strongest case among the number of instances upon which the Coal Commission based the conclusions presented in its report. A complaint was issued against an operator and a number of wholesalers.

Use of an unfair method of competition was charged in the complaint, with the allegation that the operator gave assurances to the Pennsylvania Fair Practices Committee to sell certain grades of coal at a price not to exceed \$10.50 per ton f.o.b. mines; and that in detriment to the competitors of the operators likewise giving assurance to the committee to sell coal at the prices fixed for each of them by the committee, the operator sold its coal at higher prices. The complaint charged that in the departure from the operator's assurance to the committee, the operator was unfair to competitors and to the purchasing public; also, that notwithstanding the assurance on the part of the operator, it and the wholesalers named in the complaint, agreed

and conspired together to increase the price of certain sizes of anthracite coal at the mines with the result that the prices paid by the ultimate consumers would be unduly increased by agreeing that the price to be paid to the operator should be in excess of \$10.50 per ton of coal.

The operator and the wholesalers made answers denying the allegations and asserting the legality of their conduct. As the evidence showed that the operator had not agreed with or given any assurance to the Fair Practices Committee of Pennsylvania to sell certain sizes of anthracite coal produced by it for \$10.50 per ton f.o.b.

mines, and as the charges of agreement and conspiracy between the operator and the wholesalers named in the complaint to increase the price of coal at the mines was not sustained by the evidence, the commission dismissed the complaint.

THAT farmers' cooperative associations in the Atlantic Seaboard states in their efforts to buy farm equipment and

machinery on a cooperative basis have been hampered and had their sources of supply cut off by a conspiracy between associations of retail dealers in farm equipment and manufacturers of farm equipment is charged in a complaint issued by the commission. An additional charge is that the associations of retail dealers named in the complaint have engaged in a combination and conspiracy with certain manufacturers to fix and maintain prices at which farm implement dealers would sell to farmers in the respective territories of the dealers and to eliminate competition between members of the associations and nonmembers.

More than five hundred retail dealers in farm implements operating in the states of Maine, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, North Carolina, South Carolina, are cited in the complaint individually and also as members of the associations cited. The several associations are themselves joined in a parent association, the complaint says.

Among other things, the complaint asserts that the dealers' associations have been organized for more than seven years and hold regular and special meetings at which agreements are made for uniform methods of ascertaining costs of doing business and uniform expense percentages and profits, thereby arriving at uniform selling prices, and price lists at which farm machinery, implements and supply parts shall be sold. Manufacturers cited in the complaint, it is charged, have continuously assisted the retail dealers' associations in carrying out their plans and purposes and have contributed money for this purpose. They have refused to sell to farmers' cooperative associations and all other dealers not members of the dealers' associations cited who have not agreed to fix and maintain prices of the manufacturers. The charge is made that manufacturers who continued to sell to farmers' cooperative associations did not enjoy the patronage of retail dealers who are members of the associations cited.

UNFAIR methods of competition are charged against a Missouri State retail coal merchants' association, composed of retail dealers in coal in Missouri, Arkansas and Illinois. Also named in the case are the publisher of a coal trade directory, and several officers and directors of the coal association. According to the commission's complaint the persons named in the complaint cooperated in preventing the distribution of coal

This article outlines some of the charges, findings and orders issued by the commission in consideration of complaints proceeding from trade practices in connection with:

Automobiles	Groceries
Coal	Knitted Goods
Cotton Cloth	Paper
Drugs	Perfume
Engraving	Roofing
Farm Implements	Soap
Fountain Pens	Tobacco



Lead exempts you from a weather tax

HOW much is your weather tax? Thousands of owners in the United States pay such a tax for the share of rain, snow, and sunshine that fall on their properties.

One billion dollars' worth of property crumbles beyond repair in this country each year. And this vast total includes the many millions paid by property owners as weather tax—money that lead would help to save.

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in the territory served by the association's members, except through the so-called "regular" channels and prevented "irregular" dealers, cooperative purchasing associations, and other consumers from obtaining coal at wholesale prices, or from any other source than the so-called "regular" dealers.

Among the methods used to obtain the cooperative control described in the complaint are named boycott, intimidation, including publicity and condemnatory articles published in the *Coal Retailer* in connection with coal vendors who do not refuse to provide coal to the so-called "irregular" dealers. The coal trade directory was used, it is alleged, for the purpose of keeping responsible members acquainted with the names of "regular" and "irregular" dealers, and that the information necessary for the compiling of this list was provided by the coal association.

ACTS that tend to and do obstruct the natural flow of commerce, and deprive dealers of the advantage in price which they would obtain under conditions of free competition are charged against a Colorado association of wholesale dealers in foodstuffs and groceries, organized for the purpose of cooperating to promote and protect their common interest, and also a number of individuals and organizations identified with the merchandising of foodstuffs and groceries.

According to the citation, the persons and organizations named in the complaint cooperated to prevent competing dealers doing business in the territory served by the dealers in the association and selling both at wholesale and at retail, from obtaining commodities direct from manufacturers or other original suppliers at prices accorded wholesale dealers. Various cooperative means are outlined in the complaint, among which are the practice of threats of boycott and other forms of intimidation to compel manufacturers to refuse to sell to dealers who were not exclusively wholesalers.

A WISCONSIN wholesale grocers' association, with headquarters at Milwaukee, its officers, directors and members, are ordered by the commission to discontinue the practice of inducing, influencing or coercing manufacturers to guarantee their goods against price decline.

The order specifies that the following practices be discontinued: distributing communications indicating preferential patronage of the association's members for manufacturers guaranteeing against decline in price; the urging and requesting association members to make concerted protest and solicitation to manufacturers who do not guarantee against decline; the soliciting of names and information concerning manufacturers who do and those who do not guarantee the prices of their commodities against decline, and causing the names and policy of the former to be published and distributed among the members of the association, and others; the utilizing of any other equivalent cooperative means of obtaining from manufacturers guarantees or assurance against decline in the price of their commodities.

ENDEAVORING to coerce a tobacco manufacturer into refusing to sell his products at prices accorded the wholesale trade to dealers not exclusively wholesalers, is questioned as an unfair method of competition in a complaint. Cited are three Texas wholesalers of tobacco, and the secretary of a wholesale grocers' association. They are charged with having entered into a combination to prevent tobacco dealers not engaged in selling exclusively at wholesale from directly obtaining products of a tobacco company at wholesale prices.

A CHICAGO manufacturer of soap and allied products is charged with branding some of its soaps in a manner to mislead the purchasing public into the belief that they are purchasing genuine castile soap when such is not the fact. The company, the complaint says, uses the following brand names on seven separate kinds of soaps offered by it for sale to the public: "Kirk's Cocoa Hard Water Castile," "Bengal Castile," "Kirk's Cocoa Strip Castile," "Peerless Cocoa

Castile," "Cocoa Castile," "Crown Castile," and "Floating Castile." The soaps so branded, the complaint asserts, do not contain any olive oil as is the case with genuine castile soap, but are made up with substitute oils and fats at a substantially lower cost.

DISCONTINUANCE of the words "two-ply" or "three-ply" in connection with the advertisement and sale of roofing material composed of only one thickness or layer is required of a New York manufacturer of roofing material. In addition to branding certain of its prepared roofing as being more than one thickness, when such was not the fact, the commission also found, it says, that the public and the trade were deceived by the company's designation of certain of its smooth surface roofing material as Everlastic "Rubber" Roofing, when, as a matter of fact, the commission asserts, the material did not have any rubber in its composition. The commission also found, according to its report, that the company used the words "(One-Ply) Light Weight," "(Two-Ply) Medium Weight," and "(Three-Ply) Heavy Weight," notwithstanding that the Prepared Roofing Association of which the company was at the time a member adopted a resolution that the trade should be educated "to use the terms 'light,' 'medium,' and 'heavy' in place of 'one-ply,' 'two-ply,' and 'three-ply.'"

LABELING an article with fictitious prices at which it is not intended that the article is to be sold is held by the commission to be an unfair business practice. In accordance with the ruling, a prohibitory order has been issued against a New York firm engaged in the manufacture of fountain pens. The firm, the commission explains, manufactured a certain style of fountain pen on which it placed labels bearing the price mark of \$10, which was later changed to \$6.50. The pens were then sold to jobbers who marketed them to retailers, and they were ultimately bought by the public at prices ranging from \$2 to \$3 for each pen. The findings further assert that the resale prices placed on the pens enable retail dealers to defraud the purchasing public by representing that such pens are of high grade, and reasonably worth the false and fictitious prices placed on them; and that they also have the tendency to mislead and deceive the purchasing public by inducing buyers to purchase the pens in the erroneous belief that the marked prices are the usual selling prices.

NEW YORK concern engaged in the manufacture of knitted scarfs and sweaters has been charged with simulation of a competitor's company name and trademark. The use of the concern's corporate name and the adoption of a trademark depicting an Indian's head enclosed in two concentric circles is alleged to confuse and mislead the trade and the general public into the belief that it is identical with the Shawmut Woolen Mills of Stoughton, Mass., when as a matter of fact there is no affiliation between the two concerns, declares the commission.

How far may a concern legitimately go in annexing to its sales force persons who were formerly employed by a competing company with the effect of drawing to itself trade that had been held by the competitor through those sales agents? This question is now before the commission. A Chicago company engaged in the manufacture of perfumes and toilet articles is cited in the complaint, and with it are named a number of distributors of the company's products. The company is said to have obtained the services of a woman who had formerly been employed by a competing company, for the purpose of procuring state and local distributors. The employee so obtained from the competing company, the complaint continues, thereupon secured about 90 per cent of the total number of distributors formerly employed by the competing company, and with the connivance and consent of the company named in the complaint, passed off and sold to the public its products as those of the competing company. Further allegations are that the Chicago manufacturer made false and misleading statements regarding the competing com-

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pany and its products, particularly that the Chicago company was manufacturing and offering through its agents the original products of the competing company.

COOPERATION to suppress and eliminate competition in the sale and distribution of drugs and druggists' supplies is charged against two New York wholesalers of drugs and druggists' supplies and a trade publication. According to the complaint the following methods have been used to eliminate competition: causing advertisements of competitors to be refused and rejected by trade publications; preventing and forestalling competitors from buying in commerce commodities dealt in by the two wholesalers; injuring and destroying the business reputation and credit of competitors.

THE USING of false and misleading statements for the purpose of inducing the sale of its product is charged against an Indianapolis firm engaged in the manufacture of hosiery, which is marketed through salesmen who solicit orders direct from the public by house-to-house canvass. Both in advertisements and through the selling talk of salesmen, the firm is alleged to have made the erroneous statement that four thousand persons in Japan were working exclusively in the production of silk used by the firm. Further alleged misrepresentations outlined in the complaint are that the company's hosiery is what is known as "tubular" woven hosiery, with a seam added in whole or in part unnecessarily to simulate fashioned hosiery; and that the hosiery manufactured and offered for sale by the firm is "real silk" or "silk," when as a matter of fact, the complaint contends, the hosiery so represented is not wholly composed of silk, but the top, toe and heel are of cotton, and the sole of the mixture of cotton and silk.

QUESTIONABLE use of the words "English Broadcloth" bobs up again in a case against two shirt manufacturers of New York City. On investigating its complaint, the commission found, it says, that the two manufacturers bought cotton fabric termed "broadcloth" made by American mills, and manufactured shirts from that material which they sold to retailers as "English Broadcloth." Further findings are that the manufacturers also manufactured shirts from "Airplane Cloth" and other fabrics which were not of a broadcloth construction and did not have their origin in England, and labeled them "English Broadcloth."

The term "English Broadcloth," the findings explain, is understood by the purchasing public to signify and represent material imported from England. The use of labels bearing the words "English Broadcloth" as used by the firm, the findings continue, are literally false, the cloth of which the garments were made not being made in England, and therefore deceived not only the retailers but a substantial portion of the purchasing public into the belief that the shirts so labeled are made of material imported from England. That deception was due primarily to the words of the label, the commission found.

ATENDENCY to mislead the public is discovered by the commission in the application of the word "engraving" to stationery printed from type in a manner to simulate printing from copper plates. In this case, according to the complaint, a New York printer prints invitations, announcements, calling cards, letterheads, envelopes and similar social and business stationery by a process which he designates as "plateless engraving." This printing, the complaint contends, is produced by the use of a chemical in powdered form which is applied to type print while the ink is still wet. The chemical adheres to the wet ink and in passing through a baking process the heat causes it to fuse and present a raised letter effect so as to resemble in appearance or simulate the impression made from engraved plates known as "engraving."

The printer, the complaint charges, uses in his advertising matter the following legends: "Exactly Duplicating Copper Plate Work," "Engraved and Embossed Effect."

Some Recent Books on Business

Essentials of International Trade, by Simon Litman. John Wiley and Sons, Inc., New York.

The professors of foreign trade in American universities in recent months have contributed a number of excellent additions to the American literature on this subject. A new volume is that of Professor Simon Litman, of the University of Illinois. This book is intended primarily as a textbook, but is especially adapted to the use of the business executive or the general reader who wants a brief, clear-cut description of American organization and practice in export and import business, and an understanding of the principal features of tariff relations between nations. The first section is devoted to a discussion of the public aspects of international trade and shows signs of the author's intimate familiarity with the organization of the Department of Commerce, the consular service, the Tariff Commission, etc. Dr. Litman has not been content to rely on material accumulating in his files and note-books, but has checked his information right up to the point of going to press. The second section of the book is a concise discussion of the private aspects of international trade, covering the channels and personnel in export selling, shipping and financing.

An interesting characteristic of the treatment of the subject is the author's presentation of arguments pro and con on the most important features involving policies. For example, in discussing the question of free zones in ports of the United States, the arguments for free zones are set forth in one, two, three, order and the arguments against free zones are given similar consideration.

"The Essentials of International Trade" has been so carefully done that even the most critical reader will find little to question. It is difficult, obviously, to do justice to the import trade in such a treatise, marked by brevity and covering the export trade in some detail. From the discussion of United States customs administration, the reader might get the impression that customs drawback is obtainable on dutiable merchandise that has been brought in and delivered, if reexported in original packages, unchanged, etc. However, the Tariff Act of 1922 provides specifically that there shall be no refund or drawback of duty on merchandise after it is released from the custody or control of the Government, except in the case of articles manufactured or produced in whole or in part from imported materials, on which customs drawback is expressly provided by law.—C. D. S.

Charts and Graphs, by Karl G. Karsten. Prentice-Hall, Inc., 1923.

"It is a quaint and curious folk-way of the academic world," says Karl G. Karsten in the preface of his book on Charts and Graphs, "that a technical account is worthy of respect directly in so far as it can not be understood. This hoary tradition is not limited to college walls—the rocky road to business, until recently, has rested on the self-same supposititious secrecy, and the paths of all professions lead to inner circles that guard, as best they can, the knowledge and the standards of their work. When such precautions make for better craftsmanship, they are heartily to be endorsed. But when they merely further selfish ends, they are a plague and pestilence, and those who practice them only that their own minute monopolies of craft may be entrenched, come sooner or later into the class of parasites, retarding the growth of their profession. Having confessed so little patience with the doctrine of the incomprehensible *per se*, we have naturally sought to empty the entire bag of tricks and to tell the whole story of the chart in the simplest words that we command. Our belief has been that it is a lesser sin to be too easily understood than never understood at all."

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technical terms and language familiar only to the elect will heartily endorse the criticism. Those who use Mr. Karsten's book will find that it fulfills his promise.

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Year Book, 1923, National Association of Cost Accountants, Bush Terminal Sales Building, 130 West 42d Street, New York City.

The Year Book for 1923 of the National Association of Cost Accountants contains the annual reports of officers and committees; the addresses and discussion on a considerable number of technical subjects pertaining to cost accounting; and complete lists of the membership. This association, which is made up of 3,300 industrial and professional cost accountants, held its fourth annual meeting in Buffalo in September, 1923.

The main subjects reported in full in the Year Book are:

Methods of Wage Payment as Related to Costs.

To What Extent and in What Manner Should Detailed Cost Figures Be Given to Department Heads?

Actual Examples of the Advantageous Use of Operating Budgets.

On What Basis Should Raw Materials Be Charged Into Production Costs?

Should Detailed Cost Work Be Centralized in the Head Office?

Relation of Planning and Dispatching to Cost Accounting.

How Far Is It Proper for a Trade Association to Distribute Cost Information Among Its Members?

The Industrial Worker, by Norman Ware. Houghton Mifflin Co.

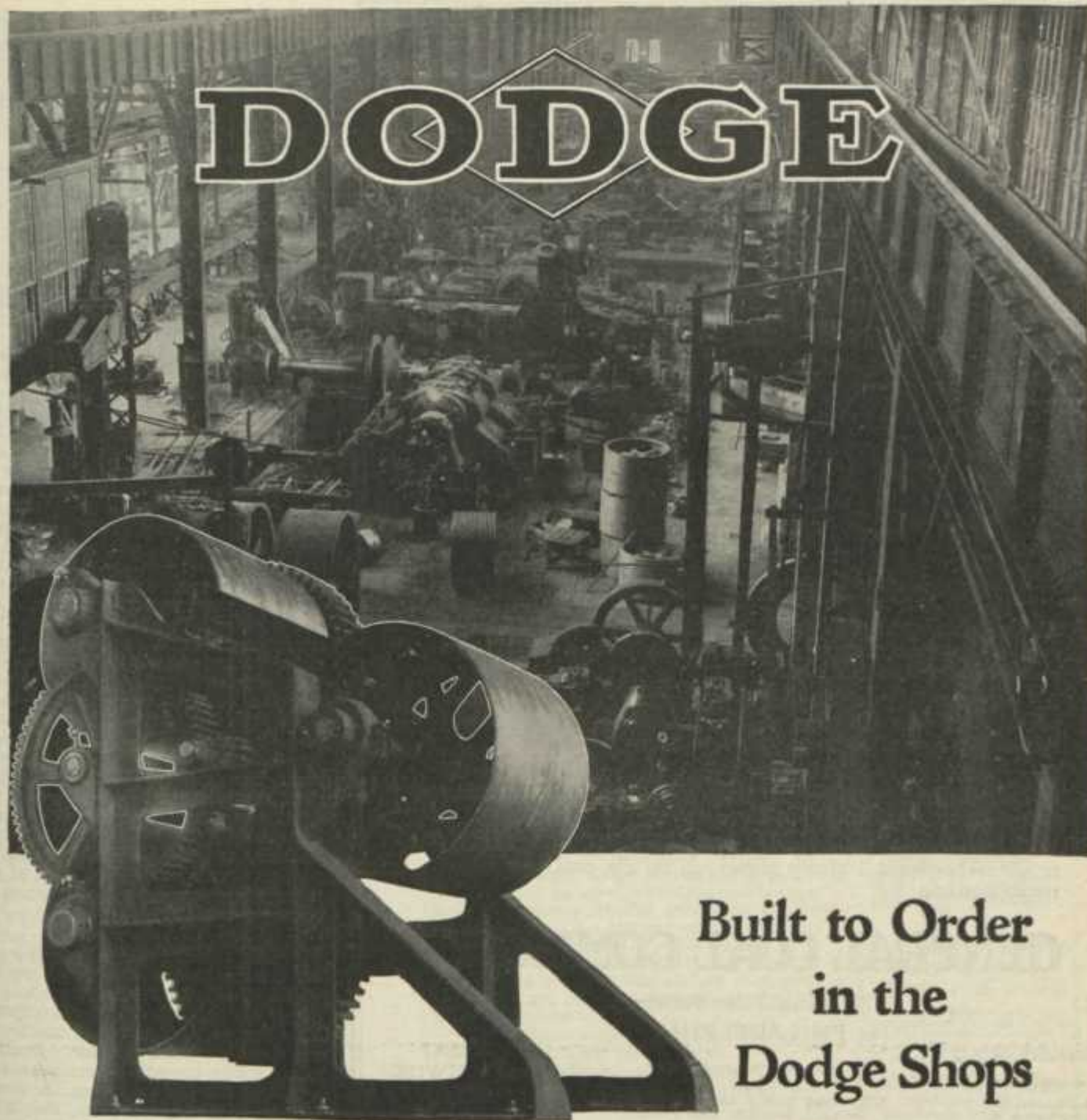
The Professor of Sociology at the University of Louisville wins the 1922 Hart, Schaffner & Marx prize for an economic essay, and Houghton Mifflin Company publishes it. A readable account of an interesting period in America's industrial history; when machinery was supplanting hand labor; when the factory system was spreading; when business was prosperous and brokers were beginning to feel their collective power. One reads with wonder of a day when women worked in Massachusetts mills for as little as one dollar a week and board, and when there were fights and threats of fights for a ten-hour day.

Child Labor and the Constitution, by Raymond G. Fuller. Thos. Y. Crowell Co.

A useful discussion by an enthusiast. Mr. Fuller recognizes that "the worst evils of forty, twenty, even ten years ago, have been removed or vastly abated," but he feels that much and perhaps the hardest part is yet to be done. He thinks it a debatable question if "the wholesale exclusion (of American boys and girls) from gainful occupations is desirable or necessary." He sees no reason why by constitutional amendment there should not be a uniform federal law.

The Commercial Secretary, by William George Bruce. The Bruce Publishing Company, Milwaukee, 1923.

This book tells the story of the development of the new profession of the commercial organization executive. The author maintains that the leaders in the field have "fought through hazy conceptions and brought scope and function into clear relief (and) created standards and awakened ideals where none existed before." The Chapters cover: qualifications and training of the commercial secretary; public speaking and administrative work; ethics and procedure; efficiency in commercial organizations, and the story of the national secretarial body.



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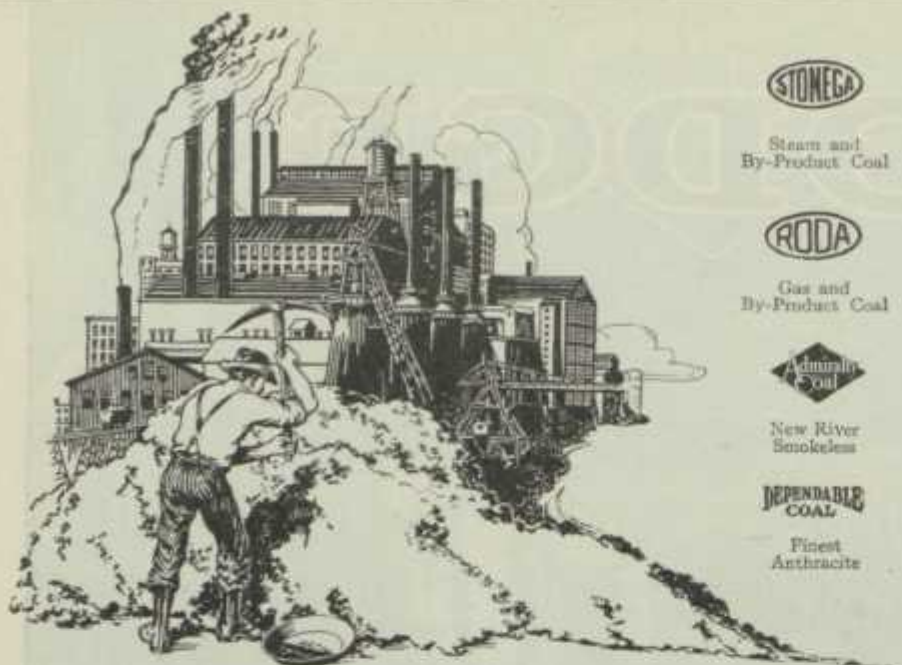
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BUSINESS contracts often defeat the very purpose they are intended to accomplish. Dr. W. J. Spillman, consulting economist and for many years head of the Bureau of Farm Management, of the United States Department of Agriculture, has a mass of facts to show that a farm tenant having only a one-year contract is likely to remain in one place longer than if he had a five-year contract. Dr. Spillman explains that if a man is under only an annual contract, he doesn't worry much over terms that are not altogether satisfactory, because he knows that at the end of the year whatever differences exist may be ironed out. Either side is willing to make concessions even before the end of the year rather than stir ill will, inasmuch as the contract will soon expire anyhow. But in a long-time contract, the man who thinks he has a little the best of it, is anxious to defend his rights, while the one who fears he has the worst of it is equally anxious to break the contract. This soon creates so much antagonism and inharmoniousness that the dissolution of the contract as well as the whole relationship is inevitable. In other words, the best way to keep a tenant, an employee, or even a customer, for a long term of years is to keep him free from the irritation of too binding a contract.

EVERY time I buy a pair of shoes I wonder how much of the price I pay must go to the clerk who fetches the shoes to me. Surely his share is out of all proportion to the value of the service. I don't mean by this that the clerk is overpaid. Doubtless his salary is little enough. Nevertheless too large a part of the price one pays for shoes must necessarily go to the clerk. People take so long making up their minds which shoes to select from the large assortment offered that a clerk can't well sell more than a comparatively small number of pairs in a day. His daily wage divided by the number of pairs he sells in a day must be his share of the price paid by each customer. In other words, if each customer requires an hour to make up his mind, then he, or some other customer, must pay the clerk's salary for that hour. Of course what happens is that the customer who decides quickly pays more than his share; he pays part of the selling cost of shoes bought by the needlessly slow.

IT MUST be said, on the other hand, that a good shoe salesman often knows how to estimate a customer's taste and save time. Instead of hauling out nineteen varieties of shoes and getting you all confused, the clerk guesses about what shape you want. Or perhaps you have told him what number in the window display most appealed to you. And, instead of asking your size he measures your foot. With a woman customer this is partic-

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ularly wise, for a woman will often try to make herself think she wants a smaller shoe than she ought to have. Then her feet are uncomfortable and she nurses a feeling of malice toward the shoe store. The clerk knows that the size one's feet can be comfortable in will vary somewhat according to the width. So he goes quietly and picks out what the woman ought to have, while she is quite content in the assumption that he is picking out a much smaller size than he really is, and that her feet are dainty to a wonderful degree.

IT FREQUENTLY happens that one can buy the same shoe at a lower price in one store than in another; but nearly always there will be a difference in service, to offset somewhat the saving in shoes. The tendency is that service and value in different stores will average up. In a high-priced store a clerk usually comes at once to wait on you, and stays faithfully with you until the ordeal is over. But in a store down the street, where you can buy shoes for, say, a dollar less, the chances are that one clerk will be waiting on about six people, hopping from one to another like a Swiss bell-ringer. He immediately takes off one of the new customer's shoes—so that if the customer gets tired of waiting he won't leave. Then, as soon as he can get around to it, he hands the customer a shoe, to keep him interested—a good deal like giving a restless child a toy with which to amuse himself.

This type of salesman is often a real artist in his line, and it is surprising how rapidly he can dispose of a whole benchful of buyers. He does it by giving each customer the shoe he wants with the least possible delay.

ONE DEALER told me that it is extremely difficult to make an exclusively woman's shoe store pay—because women take longer than men to make up their minds. Even men are slow enough. A clerk often finds twenty sales a day about all he can do. Yet there is a record of a clerk who in the old days of fewer styles sold 144 pairs in a day. Selling shoes was as easy as selling potatoes. The customer mentioned his size and the clerk wrapped up the shoes. There was no other choice than size to determine. Today one must make a score of decisions—high or low, cloth or leather tops, black or tan, calf or cordovan, blucher or balmoral, buttoned or laced—and possibly a dozen or more different shapes of toe. Besides all this there is still the question of size and width. It costs money not only to invest in so many varieties but also to pay a clerk for his time while the customer is coming to a decision. If every different style of shoe in a store were displayed in a window or show case and the customer were taught to make most of his decisions before he deals with the clerk at all, the dealer could afford to sell shoes much cheaper than if the clerk has to handle every style of shoe in the store. These shoes have to be lifted from the shelves and also lifted back. This all means work that somebody must be paid for. In the long run it is paid for by the customer.

HERE goes for the announcement of a little prize contest. I hereby offer a cash reward of \$5 for the worst business letter. It must be a letter written without thought of competition and received in ordinary course of business by the person submitting it. Mere illiterate letters will not be considered. The winning letter must have been sent by a reputable and presumably intelligent business

Saving On Labor Cost and Waste

An advertisement based on the personal experience of

★**GLEN PIERCE, Contractor, IONIA, MICHIGAN**
(As stated in an audited Gould Report)

LUMBER is put into construction piece by piece. Very often the carpenter finds it necessary to sort over the lumber, square the ends—re-work it with saw and plane to make it ready for construction.

That work takes time. Every hour saved is money saved. Saving one hour in ten means a 10 per cent saving in carpenter labor cost.

Mr. Glen Pierce, an experienced contractor of Ionia, Michigan, has found that Long-Bell trade-marked lumber comes on the job so nearly ready for construction that he makes a definite saving from its use.

"For over ten years I have used Long-Bell long leaf dimension in general contracting work," Mr. Pierce points out, "and have found that it effected savings in carpenter labor and waste as compared to ordinary grades of lumber. The use of this high grade lumber also prolongs the life of the building."

"Because Long-Bell lumber is thoroughly seasoned by either air or kiln-drying, structures built with it do not depreciate nearly as rapidly as those built with ordinary lumber. The lasting quality of Long-Bell lumber is well illustrated in the large open-air pavilion which I built in the Ionia fair grounds over eight years ago. This building has been constantly exposed to the weather, both winter and summer; it is practically as good today as when it was put up."

"There is a saving in carpenter's time with high grade lumber because a minimum of cutting and sorting is required. Carpenter's time is also noticeably saved with good flooring, which, being accurately machined and carefully seasoned, can be fitted together with a minimum of effort. Ordinary flooring requires considerable effort to drive the joints together and even then is likely to spread because not thoroughly seasoned."

"On an average, 10 per cent of the carpenter labor cost can be saved with Long-Bell lumber. Since a carpenter handles an average of five hundred feet per day at a savings of 75 cents (*), the saving in labor is \$1.50 per thousand."

"The saving in waste is easily 7 per cent as compared to ordinary lumber. At an average cost of \$45 per thousand feet, this amounts to \$3.15 per thousand."

"The savings in carpenter labor and waste give a gross saving of \$4.65 per thousand."

"I use Long-Bell lumber because it is a dependable, high grade product which effects important savings for my clients and me."

Use Long-Bell Lumber and Timbers

Long-Bell

KNOW THE LUMBER YOU BUY



★How Mr. Pierce Estimates His Savings

Mr. Pierce estimates that Long-Bell trade-marked lumber saves him in carpenter labor as follows:

Cost of carpenter labor on ordinary lumber, per M ft. \$18.00
Cost of carpenter labor on Long-Bell lumber, per M ft. \$13.50

A saving of per M ft. \$4.50

His estimate of the saving in waste lumber:

Waste in ordinary lumber, 1% of \$45.00 (an average price) per M ft. \$0.15

Waste in Long-Bell lumber per M ft. 0.00

A saving of per M ft. \$0.15

—a total saving of \$4.65 per M feet.



Mr. Pierce's entire statement is of value to the builder. Send for it.

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THE LONG-BELL LUMBER COMPANY

Established Since 1870

613 E. A. LONG BLDG. KANSAS CITY, MO.



A Business Man's Purchase—

THE standards that govern the purchase of business commodities—reasonable first cost, low upkeep, infrequent repairs and long service—when applied to paving, spell *vitrified brick*.

First cost is only one item *and often the least* in paving expense. Many a street and many a road in use today, paved with ineffective substitutes, has required upkeep and repair costs *sufficient to lay two complete new brick pavements*.

And the maintenance cost of a brick surface, provided that the base and foundation are equal to their share of the job, is always negligible. *No brick pavement ever wore out from the top down.*

We will be glad to send you on request our interesting booklet "The 'ABC' of Good Paving," to help you.

**NATIONAL PAVING BRICK
MANUFACTURERS ASSOCIATION**
ENGINEERS BUILDING CLEVELAND, OHIO

VITRIFIED
Brick
PAVEMENTS

CHEAPEST IN THE END

OUTLAST THE BONDS

Are You 100% Well

Leading physicians agree that every person should have periodical Health Surveys—and that those over 40 should have a physical examination at least once a year.

The information thus gained enables one to determine the proper steps to take to improve chronic conditions and to keep health at its highest possible level.

The latest scientific methods for making a complete "physical inventory" are thoroughly explained and illustrated in the booklet, "THE MEASURE OF A MAN." This booklet will be sent free upon request.



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office. Chances of getting the prize will depend on the number of unnecessary words, as well as the number of stereotyped, meaningless, or pompous phrases. The more words used to the number of ideas, the better will be the letter's chances. A letter in which an idea is expressed in clear direct English such as people might use in conversation, or even in social correspondence, will have no chance. It must be written in the usual business jargon, such as "in reply to same"—the more stupidities the better.

The prize money will go not to the writer of the letter but to the one who submits it in the competition. It mustn't be a fake letter. I give the contestants my word that I shall not publish or tell the name of the individual, firm or corporation that originally prepared the winning letter. That will always remain a secret. Have no fear of getting into a muss with your correspondents. When the winning letter is published, all identifying names or facts in it will be omitted. The judges of the contest will be myself. Since I am to pay for it, I must have the fun of running the show and of being my own judging committee. Everything will be fair and aboveboard, however, and no effort will be spared to insure the prize going to the worst letter. I'll not only send my personal check, but I'll send it at a time when I have at least \$5 on deposit in the bank.

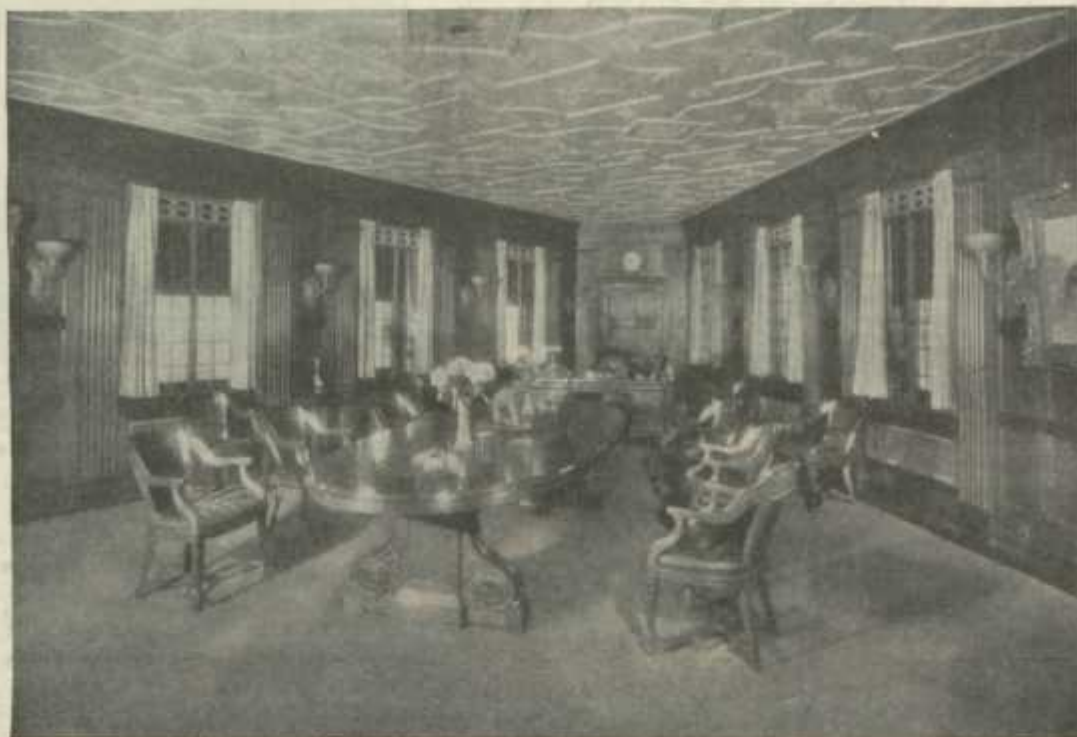
The contest closes 30 days after the appearance of this notice. Publication of the winning letter will be made as soon thereafter as possible.

ALL BILL collecting agencies and credit men agree that the ideal man to deal with is one earning from \$4,000 to \$5,000 a year. If he earns much less, he may have difficulty in providing his family with creature comforts that they think they need. If he earns a little more than \$5,000, he falls in with those having incomes of \$10,000 or more and is tempted to live beyond his means—which soon makes him an undesirable customer.

NOTHING in business is the way one expects any more. My friend Woodall is sales manager of a concern that sells more old-fashioned kerosene lanterns than does anybody else. I asked him who buys all the lanterns in these days of electricity, expecting that he would say: "Farmers." But he didn't say that. More lanterns are sold in cities than in the country. The biggest group of buyers are contractors who use them for danger signals about construction work.

NOW COMES old Frank Gilbreth, consulting engineer, with the comment that the reason burglars get caught and don't prosper is because they fail to hold conventions and exchange ideas. The burglar is a solitary worker, dependent largely upon his own resources for methods of attack and getaway. If burglars held conventions and exchanged methods, Gilbreth is quoted as saying, they'd beat the police. But the police are organized, attend conventions and exchange up-to-date ideas.

NOT LONG ago a little store with all the atmosphere of an "exclusive shop" opened up in the suburban neighborhood where I live. There didn't appear to be any demand for the store, and though it was well managed it had to close its doors. Now the business and fixtures are for sale and in the window is a sign which says: *Wonderful Business Opportunity.*



Board Room The William Wrigley Company
Courtesy American Walnut Association

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The Nation's Business is published for this great final authority group. Monthly, with bulls-eye directness it reaches the important executives wherever they are, carrying on through doors shut to your salesmen and spreading your sales messages before them in an atmosphere of business action. In its audience are:

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The NATION'S BUSINESS

WASHINGTON, D. C.



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So long as wood patterns are in use American industry will never lose its romance. Think of the fine precision and sure human skill it took to make the pattern gears above. The wood used was Genuine White Pine.

ANNOUNCING The New Weyerhaeuser Service for Pattern Makers and Pattern Making

THE Weyerhaeuser organization now takes another step forward. To contribute one more good help to American industry. To make lumber service a *specialist service*. To give pattern makers true, guaranteed White Pine.

...

The panel opposite shows in successive steps just how the Weyerhaeuser Service Man brings to you the definite Weyerhaeuser program of co-operation.

This human contact is typically Weyerhaeuser—and essential.

But one thing more is of equal importance.

An ample supply of genuine, old-fashioned White Pine.

Much other lumber is being sold as White Pine.

For pattern making these pseudo-white pines haven't the working quality of the genuine—the soft, even texture.

So Weyerhaeuser is now

branding its White Pine with the Weyerhaeuser trade mark and putting the White Pine *species-mark* on it as well.

When you see these two marks you have the guarantee of the genuine White Pine.

...

What the Weyerhaeuser Service Man Does for the Pattern Maker

1. He is a specialist in woods.
2. He has a sympathetic understanding of the pattern maker's problems.
3. He will help you to get the particular grades of genuine White Pine best suited to the work in hand—both in the light of adaptability and economy.
4. When the requirements are decided he will arrange for your specifications to be supplied with Weyerhaeuser Species-Marked White Pine through a convenient local dealer. Or he will facilitate carload mill shipments in such cases as may be preferred and are advantageous.
5. At the finish of this initial service he then becomes available at all times in the future for further consultation on current problems.

The Weyerhaeuser Pattern Lumber Service is *personal* all the way through.

Weyerhaeuser is the largest producer of genuine White Pine in America.

Out of this resource comes the *sureness of uniformity*—and the *assurance of an adequate supply year after year*.

It is Weyerhaeuser taking *more and more responsibility* for the benefit of its industrial clients.

Weyerhaeuser Service Men are now planning their engagements for 1924. We should appreciate early correspondence from manufacturers who wish to have this Weyerhaeuser personal attention.



WEYERHAEUSER FOREST PRODUCTS SAINT PAUL • MINNESOTA

Producers for industry of pattern and flusk lumber, factory grades for remanufacturing, lumber for boxing and crating, structural timbers for industrial building. And each of these items in the species and type of wood best suited for the purpose.



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THAT LIGHTING has a direct effect on retail sales has been proven many times in conclusive tests conducted by our Lighting Service Department. These are examples:

1. In Kingston, N. Y., only one side of the principal retail street was used by pedestrians at night — which was bad for retail business on the other side. Our Lighting Service Department installed proper window lighting in three adjacent stores on the "wrong" side and *in two weeks the number of passersby on that side were increased 63%.*

2. In Waterbury, Conn., a careful check showed that 1.5 out of every 10 passersby stopped to look in the windows of Miller and Peck's Department Store. Our Lighting Service Department installed scientific window lighting and *4.5 of every 10 people were stopped.* During the test Miller and Peck at our request put their slowest stock in the window. The day after this was done they had 24 inquiries for items of this stock!

3. The First Street Department Store of Duluth, Minn., did a good business a block away from the principal retail street, but chiefly on medium and low priced goods. The proprietor states that since good lighting was installed his class of trade has greatly improved and he is doing a big business on high priced goods in all departments. Also returns and exchanges are fewer because customers can see what they are getting.

FACTORIES

NEARLY every manufacturer realizes the importance of good lighting in his plants — but many do not realize that their present lighting system is not all that it should be. We often find plants in which the lighting is inadequate but is believed by the management to be "good enough." Here is what some well-known manufacturers say:

Cluett, Peabody & Co., makers of "Arrow" collars and shirts (Mr. Sanford L. Cluett): "Good light pays a very handsome return on the money invested. In order to produce the highest quality of work, proper illumination is of first importance."

Shredded Wheat Co. (Mr. A. J. Porter, Pres.): "Improved lighting gave us greater output and more uniform product; less spoilage and waste; improved morale and fewer accidents."

Victor Talking Machine Co. (Mr. A. W. Atkinson, Dir. Bldg., Const. and Power): "It pays to be liberal with light. We have devoted considerable time to the study of lighting and find that it . . . increases not only quantity but also accuracy of production. It is most important to safety. By eliminating dark corners it contributes to sanitation. Well lighted surroundings are good for morale."

Better lighting does not necessarily mean a new expense. Frequently it is only a matter of better arrangement of present equipment — and the right lamp in every socket.

Our Lighting Service Department is at your service—free of charge—to show how to increase store sales, factory production, or office efficiency. Write to dept. LS, Edison Lamp Works of General Electric Company, Harrison, New Jersey, and a representative will call.



EDISON MAZDA LAMPS



A GENERAL ELECTRIC PRODUCT

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SHORT wheelbase is an outstanding feature of every Autocar truck because the engine is under the seat. Think how this increases the productive time of trucks and drivers in crowded traffic, at freight terminals, in coal yards, in narrow streets and alleyways.

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ity and economy of operation, which have been proved in competition under all sorts of conditions, are other distinctive features of Autocar motor trucks.

And The Autocar Company, for 26 years a leader in the industry, places squarely behind every truck sold its unusual service system of Direct Factory Branches.

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ESTABLISHED 1897

Ardmore, Pa.

BRANCHES IN 46 CITIES

Autocar

gas *and* electric trucks

EITHER OR BOTH - AS YOUR WORK REQUIRES

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